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Proposed revisions to the Financial Regulations of the United Nations for the adoption of International Public Sector Accounting Standards

Report of the Secretary-General

Summary

The General Assembly, in its resolution 60/283, approved the adoption of International Public Sector Accounting Standards (IPSAS) by the United Nations. The present report contains the Secretary-General's proposed revisions to the Financial Regulations of the United Nations to support compliance with the requirements of IPSAS. These proposed revisions are submitted to the General Assembly for its consideration alongside the existing Financial Regulations, and accompanied by explanations of the proposed changes. The new Financial Rules are presented for information, together with an explanation of the changes that will be made by the Secretary-General after the approval of the Financial Regulations.

The General Assembly is requested to approve the proposed Financial Regulations of the United Nations.

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I. Introduction

1. The United Nations Financial Regulations and Rules govern the broad financial management of the United Nations. The Financial Regulations were established by the General Assembly in its resolution 456 (V). The Assembly subsequently approved amendments to the Regulations, including in its resolutions 950 (X), 973 B (X), 2885 (XXVI), 33/116, sect. IV, and 37/234, sect. II, and decisions 32/451, 38/408 and 57/573.

2. The General Assembly, through its Financial Regulations, issues the broad legislative directives governing the financial management of the United Nations by the Secretary-General. Within these parameters, in accordance with regulation 5.8, the Secretary-General formulates and promulgates the Financial Rules, which provide practical details that serve to further define the manner in which the Financial Regulations are to be implemented.

3. By its resolution 60/283, the General Assembly approved the adoption of the International Public Sector Accounting Standards (IPSAS) by the United Nations. Currently, the United Nations financial statements are prepared in accordance with the United Nations system accounting standards (UNSAS), which were developed by the United Nations system. IPSAS are a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation of financial statements. The adoption of IPSAS necessitates revisions to some of the current Financial Regulations and Rules in order to produce IPSAS-compliant financial statements.

4. The proposed changes to the Financial Regulations and Rules were reviewed by the Office of Legal Affairs and the Office of Internal Oversight Services, and presented to the Board of Auditors for comments.

5. The revised Financial Regulations, hereby submitted to the General Assembly for its consideration, are presented in annex I alongside the existing Financial Regulations, with explanations of the proposed revisions. The proposed revisions of the Financial Regulations are accompanied by a comprehensive revision of the Financial Rules. In order to facilitate the General Assembly's consideration of the proposed Financial Regulations, the new Financial Rules are presented in annex II alongside the existing Financial Rules, with an explanation of the changes that will be made by the Secretary-General after approval of the Financial Regulations.

II. Major categories of amendments to the Financial Regulations and Rules of the United Nations

6. The amendments proposed to the Financial Regulations and Rules fall into the 12 main categories described below. The category into which each proposed change falls is captured in the "explanation" column in annexes I and II.

7. **IPSAS revenue**. Under UNSAS, income is generally recognized when cash is received, except for contributions. Under IPSAS, "revenue" refers to the inflow of any economic benefit or service potential that results in an increase in net assets, and is recognized in the financial statements of the period in which the transaction occurs and not when cash or its equivalent is received. As IPSAS does not affect the

basis of budgeting, the term "income" is retained for budgeting purposes while "revenue" replaces "income" for financial statement purposes.

8. **IPSAS expense**. Under UNSAS, the term "expenditure" is used to refer to the sum of disbursements and unliquidated obligations. Under IPSAS, "expense" refers to a decrease in economic benefit or service potential that results in a decrease in net assets. Further, like "revenue", "expense" is recognized when goods or services are received and not when cash or its equivalent is paid. It thus includes not only the disbursements for goods and services received but also "accrued" expenses; that is, expenses legally payable since goods and services have already been received, even if disbursements have not happened. Further, under IPSAS, expenses also include the use or consumption of assets (for example, depreciation) or the incurring of liabilities (for example, employee benefits) that result in a decrease in net assets. The term "expenditure" is retained for budgeting purposes, while the term "expense" replaces "expenditure" for financial statement purposes.

9. **IPSAS commitment**. Currently "obligation" refers to amounts of orders placed, contracts awarded, services received and other transactions that involve a charge against the resources of the current financial period and would require payment during the same or a future financial period. However, under IPSAS the term "obligation" applies to legal and constructive obligations, therefore the terms "obligation" and "unliquidated obligation" are replaced with the term "commitment". The current use of the term "commitment" under the existing Financial Regulations and Rules does not require revision and is therefore retained in the proposed revisions.

10. **IPSAS property, plant and equipment, inventory and intangible assets**. Under UNSAS, the term "non-expendable property" is used to refer to assets purchased but treated as expenditure in the financial statements. Under IPSAS, the Organization must account differently for many types of capital expenses and also present information about the assets acquired through such expenses in the financial statements. For example, assets have to be classified and presented under several categories, such as "property, plant and equipment", "investment property", "intangible assets" and "inventories". Accounting for assets also includes depreciation/amortisation and impairment (reduction in value/service/potential). Changes are proposed to the existing Financial Regulations and Rules to replace the current terminology with IPSAS terminology.

11. **IPSAS financial statements**. The current UNSAS financial statements include a statement of income, expenditures and changes in reserves and fund balances; a statement of assets, liabilities, reserves and fund balances; a statement of cash flows; a number of schedules which include additional detailed information; and notes to the financial statements. However, IPSAS prescribes that financial statements include a statement of financial position; a statement of financial performance; a statement of changes in net assets/equity; a statement of cash flows; a statement of comparison of budget and actual amounts on the basis of the budget; and notes to the financial statements, comprising a summary of significant accounting policies and other explanatory notes. Revisions are therefore proposed to reflect the new names of the financial statements that will be prepared under IPSAS. References to "accounts" are replaced by "financial statements" when collectively referring to the statements above, however the term "accounts" is retained for all references in the budgetary context.

12. **Change from financial period to budget period**. The term "financial period" under the current Financial Regulations and Rules is defined as two consecutive calendar years, the first of which shall be an even year, except for peacekeeping operations, whose financial period shall be one year. While IPSAS requires annual financial statements, which will also be audited and reported upon by the Board of Auditors, it does not affect the programme budget cycle. Therefore a distinction is necessary to differentiate a "budget period" from a "financial period". The revisions proposed to the Financial Regulations and Rules are to amend all references to financial period to suitably refer to either budget period or financial period, depending on the context. Further, in addition to amending the current definition of the financial period in regulation 1.2, a separate definition of budget period has also been included in proposed regulation 1.3, which is based on the current definition of a financial period.

13. **Change from biennial and biennium to annual**. Currently the terms "biennial" and "biennium" are used to refer to the period for which financial statements and budgets are prepared, except for peacekeeping operations. Since financial statements under IPSAS will be prepared annually, the words "biennial" and "biennium" are replaced with "annual" when referring to the period of the financial statements.

14. **Change from United Nations system accounting standards to International Public Sector Accounting Standards**. All references to United Nations system accounting standards are replaced with International Public Sector Accounting Standards.

15. **Reclassification of miscellaneous income**. Under UNSAS, there are several categories of income that are classified as miscellaneous income and are used to offset Member States' assessments. IPSAS has stricter requirements about classification of miscellaneous income, especially when such amounts are important to the understanding of the financial statements. Therefore, amounts that are classified as miscellaneous income under UNSAS are reclassified into different revenue categories under IPSAS. Revisions to the Financial Regulations are proposed to reflect these categories in order to ensure that there are no changes to the revenue returned as credits to Member States. The new categories of revenue that replace miscellaneous income include: (a) revenue-producing activities; (b) investment revenue; (c) services rendered; (d) contributions from new Member States in accordance with regulation 3.8 and non-member States in accordance with regulation 3.9; (e) other/miscellaneous revenue, including revenue from rental of office premises, and unspecified contributions in accordance with regulation 3.13; and (f) any other revenue attributable to Member States.

16. **Annual audits**. Currently, the Board of Auditors is required to issue a report on the audit of the financial statements of the Secretariat, except those for peacekeeping operations, once every two years. However, with the adoption of IPSAS, financial statements would be audited and reported upon annually. Therefore, amendments to the Financial Regulations and Rules are proposed to address the preparation and annual audit of the financial statements.

17. The approval of annual audits will have widespread impact, as it would affect all those who are involved in the processes relating to the preparation of the financial statements, as well as their audit. In addition to the Secretariat and the Board of Auditors, this will impact the work programme of the Advisory Committee

on Administrative and Budgetary Questions, the Fifth Committee and the General Assembly, especially as such annual audits and reporting will also apply to those United Nations organizations that are audited by the Board of Auditors.

18. **Interest earnings on voluntary contributions**. A new regulation 4.19 is proposed for the treatment of interest on voluntary contributions. This harmonizes the United Nation practice with that of other United Nations system organizations, including the United Nations Children's Fund, the United Nations Development Programme and the United Nations Population Fund, and represents a significantly more efficient approach than that in place today, as explained in relation to the relevant changes in annex I.

19. **Other changes**. A few minor editorial changes are made for consistency and clarity.

III. Implementation of the revised Financial Regulations and Rules

20. Once the revised Financial Regulations are approved by the General Assembly, the Secretary-General will promulgate the revised Financial Regulations and Rules in time for IPSAS adoption.

IV. Actions to be taken by the General Assembly

21. The General Assembly is requested to approve the proposed Financial Regulations of the United Nations with effect as of 1 July 2013, and to take note of the revised Financial Rules of the United Nations as set out in the present report, subject to the following transitional provisions:

(a) The proposed regulations relating to the preparation and reporting of financial statements shall not be implemented for the regular budget, trust funds and reserves and special accounts, other than peacekeeping, until 1 January 2014;

(b) Instead, the provisions in the current Financial Regulations relating to the preparation and reporting of financial statements are to be applied to the regular budget, trust funds and reserves and special accounts, other than peacekeeping, until 31 December 2013.

Annex I

Proposed revisions to the Financial Regulations

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Article 1. General provisions	**Article 1. General provisions**	No change.
Applicability and authority	**Applicability and authority**	
Regulation 1.1: These Regulations shall govern the financial administration of the United Nations, including the International Court of Justice.	Regulation 1.1: These Regulations shall govern the financial administration of the United Nations, including the International Court of Justice.	No change.
Regulation 1.2: The financial period shall consist of a calendar year, except for peacekeeping operations with special accounts, whose financial period shall be one year from 1 July to 30 June.	Regulation 1.2: The financial period shall consist of two consecutive calendar years, the first of which shall be an even year, except for peacekeeping operations with special accounts, whose financial periods shall be one year from 1 July to 30 June.	Changed to redefine financial period to refer to only one year.
Regulation 1.3: The budget period for the proposed programme budget shall consist of two consecutive calendar years, the first of which shall be an even year, except for peacekeeping operations with special accounts, whose budget period shall be one year from 1 July to 30 June.		New regulation to define budget period.
Regulation 1.4: These Regulations shall become effective on 1 July 2013. They may be amended only by the General Assembly.	Regulation 1.3: These Regulations shall become effective on 1 January 2003. They may be amended only by the General Assembly.	Changed to reflect new effective date for proposed regulations.
Article II. Budgets	**Article II. Budgets**	No change.
A. Programme budget	**A. Programme budget**	No change.
Authority and responsibility	**Authority and responsibility**	No change.
Regulation 2.1: The proposed programme budget for each budget period shall be prepared by the Secretary-General.	Regulation 2.1: The proposed programme budget for each financial period shall be prepared by the Secretary-General.	"Financial period" was replaced with "budget period".
Presentation, content and methodology	**Presentation, content and methodology**	No change.
Regulation 2.2: The proposed programme budget shall cover income and expenditures for the budget period to which it relates and shall be presented in United States dollars.	Regulation 2.2: The proposed programme budget shall cover income and expenditures for the financial period to which it relates and shall be presented in United States dollars.	"Financial period" was replaced with "budget period".

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Regulation 2.3: The proposed programme budget shall be divided into parts, sections and programmes. Programme narratives shall set out subprogrammes, outputs, objectives and accomplishments expected during the biennium. The proposed programme budget shall be preceded by a statement explaining the main changes made in the content of the programme and the volume of resources allocated to it in relation to the previous biennium. The proposed programme budget shall be accompanied by such information, annexes and explanatory statements as may be requested by or on behalf of the General Assembly and such further annexes or statements as the Secretary-General may deem necessary and useful.	Regulation 2.3: The proposed programme budget shall be divided into parts, sections and programmes. Programme narratives shall set out subprogrammes, outputs, objectives and accomplishments expected during the biennium. The proposed programme budget shall be preceded by a statement explaining the main changes made in the content of the programme and the volume of resources allocated to it in relation to the previous biennium. The proposed programme budget shall be accompanied by such information, annexes and explanatory statements as may be requested by or on behalf of the General Assembly and such further annexes or statements as the Secretary-General may deem necessary and useful.	No change.
Review and approval	**Review and approval**	No change.
Regulation 2.4: The Secretary-General shall, in the second year of a budget period, submit his or her proposed programme budget for the following budget period to the General Assembly at its regular session. This proposed programme budget shall be transmitted to all Member States at least five weeks prior to the opening of that session.	Regulation 2.4: The Secretary-General shall, in the second year of a financial period, submit his or her proposed programme budget for the following financial period to the General Assembly at its regular session. This proposed programme budget shall be transmitted to all Member States at least five weeks prior to the opening of that session.	"Financial period" was replaced with "budget period".
Regulation 2.5: The Secretary-General shall, at least twelve weeks prior to the opening of the regular session of the General Assembly in the second year of a budget period, submit his or her proposed programme budget for the following budget period to the Advisory Committee on Administrative and Budgetary Questions (hereinafter referred to as the "Advisory Committee") for examination.	Regulation 2.5: The Secretary-General shall, at least twelve weeks prior to the opening of the regular session of the General Assembly in the second year of a financial period, submit his or her proposed programme budget for the following financial period to the Advisory Committee for examination.	"Financial period" was replaced with "budget period".
Regulation 2.6: The Advisory Committee shall prepare a report to the General Assembly on the programme budget proposed by the Secretary-General. This report shall be transmitted to all Member States at the same time as the proposed programme budget. The report, or an addendum to it, shall contain the recommendations of the Advisory Committee concerning the statement of the Secretary-General on the programme budget implications of the recommendations of the Committee for Programme and Coordination.	Regulation 2.6: The Advisory Committee shall prepare a report to the General Assembly on the programme budget proposed by the Secretary-General. This report shall be transmitted to all Member States at the same time as the proposed programme budget. The report, or an addendum to it, shall contain the recommendations of the Advisory Committee concerning the statement of the Secretary-General on the programme budget implications of the recommendations of the Committee for Programme and Coordination.	No change.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Regulation 2.7: The General Assembly shall, in the second year of a budget period, adopt the programme budget for the following budget period after consideration of the proposed programme budget and the report of the Advisory Committee thereon by the Administrative and Budgetary Committee of the Assembly.	Regulation 2.7: The General Assembly shall, in the second year of a financial period, adopt the programme budget for the following financial period after consideration of the proposed programme budget and the report of the Advisory Committee thereon by the Administrative and Budgetary Committee of the Assembly.	"Financial period" was replaced with "budget period".
Publication of the approved programme budget	**Publication of the approved programme budget**	No change.
Revised and supplementary programme budget requirements	**Revised and supplementary programme budget requirements**	No change.
Regulation 2.8: Supplementary programme budget proposals may be submitted by the Secretary-General whenever necessary.	Regulation 2.8: Supplementary programme budget proposals may be submitted by the Secretary-General whenever necessary.	No change.
Revised and supplementary programme budget proposals, presentation and submission	**Revised and supplementary programme budget proposals, presentation and submission**	No change.
Regulation 2.9: The Secretary-General shall prepare supplementary programme budget proposals in a form consistent with the approved programme budget and shall submit such proposals to the General Assembly. The Advisory Committee shall review the supplementary proposals and report thereon.	Regulation 2.9: The Secretary-General shall prepare supplementary programme budget proposals in a form consistent with the approved programme budget and shall submit such proposals to the General Assembly. The Advisory Committee shall review the supplementary proposals and report thereon.	No change.
Regulation 2.10: No council, commission or other competent body shall take a decision involving either a change in the programme budget approved by the General Assembly or the possible requirement of expenditure unless it has received and taken account of a report from the Secretary-General on the programme budget implications of the proposal.	Regulation 2.10: No council, commission or other competent body shall take a decision involving either a change in the programme budget approved by the General Assembly or the possible requirement of expenditure unless it has received and taken account of a report from the Secretary-General on the programme budget implications of the proposal.	No change.
Regulation 2.11: Where, in the opinion of the Secretary-General, a proposed expenditure cannot be made from an existing appropriation, it shall not be incurred until the General Assembly has made the necessary appropriation unless the Secretary-General certifies that the expenditure can be made under the provisions of the General Assembly resolution relating to unforeseen and extraordinary expenses.	Regulation 2.11: Where, in the opinion of the Secretary-General, a proposed expenditure cannot be made from the existing appropriation, it shall not be incurred until the General Assembly has made the necessary appropriation unless the Secretary-General certifies that the expenditure can be made under the provisions of the Assembly resolution relating to unforeseen and extraordinary expenses.	No change.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
B. Peacekeeping operation budgets	**B. Peacekeeping operation budgets**	No change.
Authority, responsibility, submission and approval	**Authority, responsibility, submission and approval**	No change.
Regulation 2.12: Budgets for peacekeeping operations setting out objectives, expected accomplishments and outputs shall be prepared by the Secretary-General for consideration and approval by the General Assembly.	Regulation 2.12: Budgets for peacekeeping operations setting out objectives, expected accomplishments and outputs shall be prepared by the Secretary-General for consideration and approval by the General Assembly.	No change.
Regulation 2.13: The Secretary-General shall submit twice a year to the General Assembly for informational purposes a table summarizing the budgetary requirements of each peacekeeping operation for the budget period from 1 July to 30 June, including a breakdown of expenditure by major line item and the aggregate total resource requirement.	Regulation 2.13: The Secretary-General shall submit twice a year to the General Assembly for informational purposes a table summarizing the budgetary requirements of each peacekeeping operation for the financial period from 1 July to 30 June, including a breakdown of expenditure by major line item and the aggregate total resource requirement.	"Financial period" was replaced with "budget period".
C. International Court of Justice	**C. International Court of Justice**	No change.
Budget preparation and submission	**Budget preparation and submission**	No change.
Regulation 2.14: The programme budget proposals of the International Court of Justice shall be prepared by the Court in consultation with the Secretary-General. These programme budget proposals shall be submitted to the General Assembly by the Secretary-General, together with such observations as he or she may deem desirable.	Regulation 2.14: The programme budget proposals of the International Court of Justice shall be prepared by the Court in consultation with the Secretary-General. These programme budget proposals shall be submitted to the General Assembly by the Secretary-General, together with such observations as he or she may deem desirable.	No change.
Article III. Contributions and other income	**Article III. Contributions and other income**	No change.
A. Programme budget	**A. Programme budget**	No change.
Assessed contributions	**Assessed contributions**	No change.
Regulation 3.1: Appropriations, subject to the adjustments effected in accordance with the provisions of regulation 3.2, shall be financed by contributions from Member States, according to the scale of assessments determined by the General Assembly. Pending the receipt of such contributions, the appropriations may be financed from the Working Capital Fund.	Regulation 3.1: Appropriations, subject to the adjustments effected in accordance with the provisions of regulation 3.2, shall be financed by contributions from Member States, according to the scale of assessments determined by the General Assembly. Pending the receipt of such contributions, the appropriations may be financed from the Working Capital Fund.	No change.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Regulation 3.2: For each of the two years of a budget period, the contributions of Member States shall be assessed on the basis of half of the appropriations approved by the General Assembly for that budget period, except that adjustments shall be made to the assessments in respect of: (a) Supplementary appropriations for which contributions have not previously been assessed on Member States; (b) Half of the estimated amounts under the categories of revenue defined in regulation 3.3 for the budget period for which credits have not previously been taken into account and any adjustments in estimated amounts under these categories of revenue previously taken into account; (c) Contributions resulting from the assessment of new Member States under the provisions of regulation 3.8; (d) Any balance of the appropriations surrendered under regulations 5.3 and 5.4; (e) Half of the Member States' credits in the Tax Equalization Fund for the budget period estimated to be not required to meet charges for tax refunds during the calendar year and any adjustments in the estimated credits previously taken into account.	Regulation 3.2: For each of the two years of a financial period, the contributions of Member States shall be assessed on the basis of half of the appropriations approved by the General Assembly for that financial period, except that adjustments shall be made to the assessments in respect of: (a) Supplementary appropriations for which contributions have not previously been assessed on Member States; (b) Half of the estimated miscellaneous income for the financial period for which credits have not previously been taken into account and any adjustments in estimated miscellaneous income previously taken into account; (c) Contributions resulting from the assessment of new Member States under the provisions of regulation 3.7; (d) Any balance of the appropriations surrendered under regulations 5.3 and 5.4; (e) Half of the Member States' credits in the Tax Equalization Fund for the financial period estimated to be not required to meet charges for tax refunds during the calendar year, and any adjustments in the estimated credits previously taken into account.	"Financial period" was replaced with "budget period"; reclassification of miscellaneous income.
Regulation 3.3: Member States' assessments shall be offset in accordance with regulation 3.2 by net revenue from the following revenue categories: (a) Revenue-producing activities; (b) Investment revenue; (c) Services rendered; (d) Contributions from new Member States in accordance with regulation 3.8 and non-member States in accordance with regulation 3.9; (e) Other/miscellaneous revenue, including revenue from rental of office premises, and unspecified contributions in accordance with regulation 3.14; (f) Any other revenue attributable to Member States.		Reclassification of miscellaneous income. Under UNSAS these revenue items are classified as miscellaneous income and offset against Member States' assessments. Under IPSAS, however, a number of these items are no longer classified as miscellaneous income. This new regulation is being proposed to ensure that Member States continue to receive the offsets from these categories of revenue.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Requests for payment of assessed contributions	**Requests for payment of assessed contributions**	No change.
Regulation 3.4: After the General Assembly has adopted or revised the programme budget and determined the amount of the Working Capital Fund, the Secretary-General shall: (a) Transmit the relevant documents to Member States; (b) Inform them of their commitments in respect of annual contributions and advances to the Working Capital Fund; (c) Request them to remit their contributions and advances.	Regulation 3.3: After the General Assembly has adopted or revised the programme budget and determined the amount of the Working Capital Fund, the Secretary-General shall: (a) Transmit the relevant documents to Member States; (b) Inform them of their commitments in respect of annual contributions and advances to the Working Capital Fund; (c) Request them to remit their contributions and advances.	Change in numbering.
Payment of assessed contributions	**Payment of assessed contributions**	No change.
Regulation 3.5: Contributions and advances shall be considered as due and payable in full within thirty days of the receipt of the communication of the Secretary-General referred to in regulation 3.4 or on the first day of the calendar year to which they relate, whichever is later. As of 1 January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears.	Regulation 3.4: Contributions and advances shall be considered as due and payable in full within thirty days of the receipt of the communication of the Secretary-General referred to in regulation 3.3 or on the first day of the calendar year to which they relate, whichever is later. As of 1 January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears.	Change in numbering.
Regulation 3.6: Payments made by a Member State shall be credited first to the Working Capital Fund and then to the contributions due in the order in which the Member State was assessed.	Regulation 3.5: Payments made by a Member State shall be credited first to the Working Capital Fund and then to the contributions due in the order in which the Member was assessed.	Change in numbering; editorial change.
Regulation 3.7: The Secretary-General shall submit to the General Assembly at each regular session a report on the collection of contributions and advances to the Working Capital Fund.	Regulation 3.6: The Secretary-General shall submit to the General Assembly at each regular session a report on the collection of contributions and advances to the Working Capital Fund.	Change in numbering.
Assessed contributions from new Member States	**Assessed contributions from new Member States**	No change.
Regulation 3.8: New Member States shall be required to make a contribution for the year in which they become Member States and to provide their proportion of the total advances to the Working Capital Fund at rates to be determined by the General Assembly.	Regulation 3.7: New Members shall be required to make a contribution for the year in which they become Members and to provide their proportion of the total advances to the Working Capital Fund at rates to be determined by the General Assembly.	Change in numbering; editorial change.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Assessed contributions from non-member States	**Assessed contributions from non-member States**	No change.
Regulation 3.9: States which are not Members of the United Nations but which become parties to the Statute of the International Court of Justice or treaty bodies financed from United Nations appropriations shall contribute to the expenses of such bodies at rates to be determined by the General Assembly. States which are not Members of the United Nations but which participate in organs or conferences financed from United Nations appropriations shall contribute to the expenses of such organs or conferences at rates to be determined by the General Assembly, unless the Assembly decides with respect to any such State to exempt it from the requirement of so contributing. Such contributions shall be treated in accordance with regulation 3.3.	Regulation 3.8: States which are not Members of the United Nations but which become parties to the Statute of the International Court of Justice or treaty bodies financed from United Nations appropriations shall contribute to the expenses of such bodies at rates to be determined by the General Assembly. States which are not Members of the United Nations but which participate in organs or conferences financed from United Nations appropriations shall contribute to the expenses of such organs or conferences at rates to be determined by the General Assembly, unless the Assembly decides with respect to any such State to exempt it from the requirement of so contributing. Such contributions shall be taken into account as miscellaneous income.	Change in numbering; reclassification of miscellaneous income.
Currency of assessed contributions	**Currency of assessed contributions**	No change.
Regulation 3.10: Annual contributions and advances to the Working Capital Fund shall be assessed and paid in United States dollars.	Regulation 3.9: Annual contributions and advances to the Working Capital Fund shall be assessed and paid in United States dollars.	Change in numbering.
B. Peacekeeping operation budgets	**B. Peacekeeping operation budgets**	No change.
Assessed contributions	**Assessed contributions**	No change.
Regulation 3.11: Except as otherwise specified by the General Assembly, the appropriations for peacekeeping operations shall be financed by contributions from Member States according to the scale of assessments approved by the Assembly, as modified by any related system of adjustments approved by the Assembly. The payment of assessed contributions for peacekeeping operations shall also be governed by regulation 3.5. Contributions and advances for peacekeeping operations shall be assessed and paid in United States dollars.	Regulation 3.10: Except as otherwise specified by the General Assembly, the appropriations for peacekeeping operations shall be financed by contributions from Member States according to the scale of assessments approved by the Assembly, as modified by any related system of adjustments approved by the Assembly. The payment of assessed contributions for peacekeeping operations shall also be governed by regulation 3.4.	Change in numbering; editorial change to align proposed regulation 3.11 with proposed regulation 3.10.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
C. Voluntary contributions, gifts and donations	**C. Voluntary contributions, gifts and donations**	No change.
Acceptance and purpose	**Acceptance and purpose**	No change.
Regulation 3.12: Voluntary contributions, whether or not in cash, may be accepted by the Secretary-General provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Organization and provided further that the acceptance of such contributions that directly or indirectly involve additional financial liability for the Organization shall require the consent of the appropriate authority.	Regulation 3.11: Voluntary contributions, whether or not in cash, may be accepted by the Secretary-General provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Organization and provided that the acceptance of such contributions that directly or indirectly involve additional financial liability for the Organization shall require the consent of the appropriate authority.	Change in numbering; editorial change.
Regulation 3.13: Moneys accepted for purposes specified by the donor shall be treated as trust funds or special accounts under regulations 4.13 and 4.14.	Regulation 3.12: Moneys accepted for purposes specified by the donor shall be treated as trust funds or special accounts under regulations 4.13 and 4.14.	Change in numbering.
D. Revenue	**D. Miscellaneous income**	IPSAS revenue.
	Programme budget	Deleted.
	Regulation 3.13: All other income except: (a) Contributions to the programme budget; (b) Direct refunds of expenditures made during the financial period; (c) Advances or deposits to funds; and (d) Revenue derived from the Staff Assessment Plan shall be classed as miscellaneous income, for credit to the General Fund.	This regulation is deleted as it relates to a now-obsolete definition of miscellaneous income. The categories of revenue that can be offset against assessments is now defined in new regulation 3.3.
Voluntary contributions, gifts and donations	**Voluntary contributions, gifts and donations**	No change.
Regulation 3.14: Moneys accepted in respect of which no purpose is specified shall be treated as other/miscellaneous revenue.	Regulation 3.14: Moneys accepted in respect of which no purpose is specified shall be treated as miscellaneous income and reported as "gifts" in the accounts of the financial period.	Reclassification of miscellaneous income; editorial change.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Article IV. Custody of funds	**Article IV. Custody of funds**	No change.
A. Internal accounts	**A. Internal accounts**	No change.
General Fund	**General Fund**	No change.
Regulation 4.1: There shall be established a general fund for the purpose of accounting for the programme budget undertakings of the Organization. The contributions paid by Member States under regulation 3.1, the revenue categories under regulation 3.3 and any advances made from the Working Capital Fund shall be available to fund expenditure of the General Fund.	Regulation 4.1: There shall be established a general fund for the purpose of accounting for the expenditures of the Organization. The contributions paid by Member States under regulation 3.1, miscellaneous income and any advances made from the Working Capital Fund to finance general expenditures shall be credited to the General Fund.	Editorial change; reclassification of miscellaneous income; clarification of the scope of the General Fund.
Working Capital Fund	**Working Capital Fund**	No change.
Regulation 4.2: There shall be established a working capital fund in an amount and for purposes to be determined from time to time by the General Assembly. The source of moneys of the Working Capital Fund shall be advances from Member States, and those advances, made in accordance with the scale of assessments as determined by the Assembly for the apportionment of the expenses of the United Nations, shall be carried to the credit of Member States that have made such advances.	Regulation 4.2: There shall be established a working capital fund in an amount and for purposes to be determined from time to time by the General Assembly. The source of moneys of the Working Capital Fund shall be advances from Member States, and those advances, made in accordance with the scale of assessments as determined by the Assembly for the apportionment of the expenses of the United Nations, shall be carried to the credit of Member States that have made such advances.	No change.
Advances from the Working Capital Fund	**Advances from the Working Capital Fund**	No change.
Regulation 4.3: Advances made from the Working Capital Fund to finance budgetary appropriations shall be reimbursed to the Fund as soon as [receipts from contributions are] available for that purpose.	Regulation 4.3: Advances made from the Working Capital Fund to finance budgetary appropriations shall be reimbursed to the Fund as soon as [and to the extent that income is] available for that purpose.	Changes made to reflect the fact that the advances to the Working Capital Fund will be reimbursed when contributions are received. This aligns the language of regulation 4.3 with that of regulation 4.7.
Regulation 4.4: Except when such advances are recoverable from some other source, advances made from the Working Capital Fund for unforeseen and extraordinary expenses or other authorized purposes shall be reimbursed through the submission of supplementary programme budget proposals.	Regulation 4.4: Except when such advances are recoverable from some other source, advances made from the Working Capital Fund for unforeseen and extraordinary expenses or other authorized purposes shall be reimbursed through the submission of supplementary programme budget proposals.	No change.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Peacekeeping Reserve Fund	**Peacekeeping Reserve Fund**	No change.
Regulation 4.5: There shall be established a peacekeeping reserve fund as a cash flow mechanism to ensure the rapid response of the Organization during the start-up phase of new peacekeeping operations and the expansion of existing peacekeeping operations and to meet unforeseen and extraordinary expenses and capital requirements (outlays) related to peacekeeping. The level of the fund and the means by which it shall be financed by Member States shall be determined by the General Assembly.	Regulation 4.5: There shall be established a peacekeeping reserve fund as a cash flow mechanism to ensure the rapid response of the Organization during the start-up phase of new peacekeeping operations and the expansion of existing peacekeeping operations and to meet unforeseen and extraordinary expenditure requirements related to peacekeeping. The level of the fund and the means by which it shall be financed by Member States shall be determined by the General Assembly.	IPSAS expense. Capital outlay is also added, as the Peacekeeping Reserve Fund will not only fund expenses but also any capital requirements, such as fixed assets, during the start-up phase of a new peacekeeping operation.
Advances from Peacekeeping Reserve Fund	**Advances from Peacekeeping Reserve Fund**	No change.
Regulation 4.6: If a decision of the Security Council relating to the start-up or expansion phase of peacekeeping operations results in the need for expenses and capital requirements, the Secretary-General is authorized, with the prior concurrence of the Advisory Committee and subject to regulation 4.8, to enter into commitments not to exceed the balance of the Peacekeeping Reserve Fund, and not to exceed $100 million per decision of the Security Council. The cumulative total of the outstanding commitment authority in respect of the start-up or expansion phase of peacekeeping operations is not to exceed the total level of the Peacekeeping Reserve Fund at any one time; however, the appropriation by the General Assembly of any outstanding commitments shall automatically restore this commitment authority to the extent of the amount appropriated.	Regulation 4.6: If a decision of the Security Council relating to the start-up or expansion phase of peacekeeping operations results in the need for expenditure, the Secretary-General is authorized, with the prior concurrence of the Advisory Committee and subject to regulation 4.8, to enter into commitments not to exceed the balance of the Peacekeeping Reserve Fund, and not to exceed $100 million per decision of the Security Council. The cumulative total of outstanding commitment authority in respect of the start-up or expansion phase of peacekeeping operations is not to exceed the total level of the Peacekeeping Reserve Fund at any one time; however, the appropriation by the General Assembly of any outstanding commitments shall automatically restore this commitment authority to the extent of the amount appropriated.	IPSAS expense. Capital outlay is also added, as the Peacekeeping Reserve Fund will not only fund expenses but also any capital requirements, such as fixed assets, during the start-up phase of a new peacekeeping operation.
Regulation 4.7: Advances made from the Peacekeeping Reserve Fund shall be reimbursed as soon as receipts from contributions are available for those purposes.	Regulation 4.7: Advances made from the Peacekeeping Reserve Fund shall be reimbursed as soon as receipts from contributions are available for those purposes.	No change.
Regulation 4.8: If a decision of the Security Council results in the need for the Secretary-General to enter into commitments for the start-up or expansion phase of peacekeeping operations in an amount exceeding $100 million per decision of the Security Council or exceeding the total level of the Peacekeeping Reserve Fund, the matter shall be brought to the General Assembly as soon as possible for a decision on commitment authority and assessment.	Regulation 4.8: If a decision of the Security Council results in the need for the Secretary-General to enter into commitments for the start-up or expansion phase of peacekeeping operations in an amount exceeding $100 million per decision of the Security Council or exceeding the total level of the Peacekeeping Reserve Fund, the matter shall be brought to the General Assembly as soon as possible for a decision on commitment authority and assessment	No change.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Regulation 4.9: The Secretary-General and the Advisory Committee shall report to the General Assembly on any exercise of a commitment authority given under regulation 4.6, together with the circumstances relating thereto, in the context of the next report submitted to the Assembly on the financing of the relevant peacekeeping operation.	Regulation 4.9: The Secretary-General and the Advisory Committee shall report to the General Assembly on any exercise of the commitment authority given under regulation 4.6, together with the circumstances relating thereto, in the context of the next report submitted to the Assembly on the financing of the relevant peacekeeping operation.	Editorial change.
Tax Equalization Fund	**Tax Equalization Fund**	No change.
Regulation 4.10: There shall be established a tax equalization fund to which the staff assessment deductions from those staff salaries financed from assessed contributions shall be credited. Within the Tax Equalization Fund, revenue shall be recorded as credits to Member States and divided among them in accordance with the proportions approved by the General Assembly for the relevant rates of the assessments. All credits shall pertain to a specific year and shall be calculated in accordance with the rates of the assessments approved for that same year; prior-period adjustments shall also observe this principle.	Regulation 4.10: There shall be established a tax equalization fund to which the staff assessment deductions from those staff salaries financed from assessed contributions shall be credited. Within the Tax Equalization Fund, revenue shall be recorded as credits to Member States and divided among them in accordance with the proportions approved by the General Assembly for the relevant rates of the assessments. All credits shall pertain to a specific year and shall be calculated in accordance with the rates of the assessments approved for that same year; prior-period adjustments shall also observe this principle.	No change.
Use of the Tax Equalization Fund	**Use of the Tax Equalization Fund**	No change.
Regulation 4.11: Tax Equalization Fund revenue shall be used to refund staff members for income taxes levied by Member States in respect of their United Nations remuneration. Commitments shall be established against the Tax Equalization Fund to cover the estimated liabilities in respect of the refunds made to staff members of those income taxes. If a Member State's credit in the Tax Equalization Fund is insufficient for this purpose, the shortfall shall be added to and recovered from assessed contributions due from that Member State in the subsequent financial period. Where income tax is levied on staff financed from sources of funds that do not contribute to the Tax Equalization Fund, the additional costs for tax reimbursement shall be borne by those sources of funds.	Regulation 4.11: Tax Equalization Fund revenue shall be used to refund staff members for income taxes levied by Member States in respect of their United Nations remuneration. Obligations shall be established against the Tax Equalization Fund to cover the estimated liabilities in respect of the refunds made to staff members of those income taxes. If a Member State's credit in the Tax Equalization Fund is insufficient for this purpose, the shortfall shall be added to and recovered from assessed contributions due from that Member State in the subsequent financial period. Where income tax is levied on staff financed from sources of funds that do not contribute to the Tax Equalization Fund, the additional costs for tax reimbursement shall be borne by those sources of funds.	IPSAS commitment.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Regulation 4.12: In accordance with regulation 3.2, any balance on a Member State's tax equalization account after the commitments referred to in regulation 4.11 have been satisfied shall be credited against the assessed contributions due from that Member State the following year.	Regulation 4.12: In accordance with regulation 3.2, any balance on a Member State's tax equalization account after the obligations referred to in regulation 4.11 have been satisfied shall be credited against the assessed contributions due from that Member State the following year.	IPSAS commitment.
Trust funds and reserve and special accounts	**Trust funds and reserve and special accounts**	No change.
Regulation 4.13: Trust funds and reserve and special accounts may be established by the Secretary-General and shall be reported to the Advisory Committee.	Regulation 4.13: Trust funds and reserve and special accounts may be established by the Secretary-General and shall be reported to the Advisory Committee.	No change.
Regulation 4.14: The purpose and limits of each trust fund and reserve and special account shall be clearly defined by the appropriate authority. Unless otherwise provided by the General Assembly, such funds and accounts shall be administered in accordance with the present Regulations.	Regulation 4.14: The purpose and limits of each trust fund and reserve and special account shall be clearly defined by the appropriate authority. Unless otherwise provided by the General Assembly, such funds and accounts shall be administered in accordance with the present Regulations.	No change.
B. Banking	**B. Banking**	No change.
Bank accounts, authority and policy	**Bank accounts, authority and policy**	No change.
Regulation 4.15: The Secretary-General shall designate the bank or banks in which the funds of the Organization shall be kept.	Regulation 4.15: The Secretary-General shall designate the bank or banks in which the funds of the Organization shall be kept.	No change.
C. Investments	**C. Investments**	No change.
Authority, responsibility and policy	**Authority, responsibility and policy**	No change.
Regulation 4.16: The Secretary-General may make investments of moneys of the Organization not needed for immediate requirements, having regard to the particular requirements as to the liquidity of funds.	Regulation 4.16: The Secretary-General may make short-term investments of moneys not needed for immediate requirements and shall inform the Advisory Committee periodically of any such investments.	Regulations 4.16 and 4.17 are combined and reference to the Advisory Committee and the Investment Committee are removed, as these requirements related to the United Nations Joint Staff Pension Fund when it was part of Treasury.
	Regulation 4.17: The Secretary-General may, after consultation with the Investments Committee, make long-term investments of moneys standing to the credit of trust funds and reserve and special accounts, except as may be otherwise provided by the appropriate authority in respect of each such fund or account and having regard to the particular requirements as to the liquidity of funds in each case.	Regulation 4.17 is deleted as this is now combined with regulation 4.16. Please refer to the explanation above for changes made to regulation 4.16 above.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Revenue	**Income**	IPSAS revenue.
Regulation 4.17: Revenue derived from investments shall be credited as provided in the rules relating to each fund or account and treated in accordance with regulation 4.19.	Regulation 4.18: Income derived from investments shall be credited as provided in the rules relating to each fund or account.	Change in numbering; IPSAS revenue. A change was also made to make reference to proposed regulation 4.19.
Regulation 4.18: Revenue derived from investments of the Working Capital Fund shall be credited to investment revenue of the General Fund.	Regulation 4.19: Income derived from investments of the Working Capital Fund shall be credited to miscellaneous income.	Change in numbering; IPSAS revenue; reclassification of miscellaneous income.
Regulation 4.19: Unless otherwise authorized by the appropriate authority under regulations 4.13 and 4.14, no interest shall be payable on trust funds or special accounts.		This regulation is based on those applicable to other United Nations system organizations, including UNICEF, UNDP and UNFPA, and harmonizes the practice of the United Nations with that of other United Nations organizations. It represents a significantly more efficient approach than that in place today, which entails the calculation, recording and, in some instances, payment of contribution-specific interest earnings, and it facilitates inter-agency cooperation.
Article V. Utilization of funds	**Article V. Utilization of funds**	No change.
A. Appropriations	**A. Appropriations**	No change.
Authorization	**Authorization**	No change.
Regulation 5.1: The appropriations voted by the General Assembly shall constitute an authorization to the Secretary-General to incur commitments and make payments for the purposes for which the appropriations were voted and up to the amounts so voted.	Regulation 5.1: The appropriations voted by the General Assembly shall constitute an authorization to the Secretary-General to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amounts so voted.	IPSAS commitment.
Available period	**Available period**	No change.
Regulation 5.2: Appropriations shall be available for commitment during the budget period to which they relate.	Regulation 5.2: Appropriations shall be available for obligation during the financial period to which they relate.	IPSAS commitment; "financial period" was replaced with "budget period".

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Regulation 5.3: Appropriations shall remain available for twelve months following the end of the budget period to which they relate to the extent that they are required to discharge any commitments in respect of goods supplied and services rendered in the budget period and to liquidate any other outstanding legal obligation of the budget period. The balance of the appropriations shall be surrendered.	Regulation 5.3: Appropriations shall remain available for twelve months following the end of the financial period to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial period and to liquidate any other outstanding legal obligation of the financial period. The balance of the appropriations shall be surrendered.	IPSAS commitment; "financial period" was replaced with "budget period".
Regulation 5.4: At the end of the twelve-month period provided in regulation 5.3 above, the then remaining balance of any appropriations retained will be surrendered. Where a commitment remains valid at the end of the twelve-month period, it shall be cancelled and funded from the current appropriations.	Regulation 5.4: At the end of the twelve-month period provided in regulation 5.3 above, the then remaining balance of any appropriations retained will be surrendered. Any unliquidated obligations of the financial period in question shall, at that time be cancelled or where the obligation remains a valid charge, transferred as an obligation against current appropriations.	IPSAS commitment; editorial change.
Regulation 5.5: Appropriations required in respect of commitments to Governments for troops, formed police units, logistical support and other goods supplied and services rendered to peacekeeping operations shall be retained beyond the twelve-month period provided for in regulation 5.3 if the requisite claims are not received or processed during the period to which the appropriations relate. Those appropriations shall remain valid for an additional period of four years following the end of the twelve-month period provided in regulation 5.3. At the end of the additional four-year period the remaining balance of any appropriations retained will be surrendered. Where a commitment remains valid at the end of the additional four years it shall be cancelled and funded from current appropriations.	Regulation 5.5: Appropriations required in respect of obligations to Governments for troops, formed police units, logistical support and other goods supplied and services rendered to peacekeeping operations shall be retained beyond the twelve-month period provided for in regulation 5.3 if the requisite claims are not received or processed during the financial period to which they pertain. Those obligations shall remain valid for an additional period of four years following the end of the twelve-month period provided in regulation 5.3. At the end of the additional four-year period, any unliquidated obligations shall be cancelled and the remaining balance of any appropriations retained will be surrendered.	IPSAS commitment; editorial change.
Transfers between appropriations	**Transfers between appropriations**	No change.
Regulation 5.6: No transfer between appropriation sections may be made without authorization by the General Assembly.	Regulation 5.6: No transfer between appropriation sections may be made without authorization by the General Assembly.	No change.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Commitments against appropriations for future budget periods	**Commitments against appropriations for future financial periods**	"Financial periods" was replaced with "budget periods".
Regulation 5.7: The Secretary-General may enter into commitments for future budget periods, provided that such commitments:	Regulation 5.7: The Secretary-General may enter into commitments for future financial periods, provided that such commitments:	"Financial period" was replaced with "budget period".
(a) Are for activities which have been approved by the General Assembly and are expected to continue beyond the end of the current budget period; or	(a) Are for activities which have been approved by the General Assembly and are expected to continue beyond the end of the current financial period; or	
(b) Are authorized by specific decisions of the Assembly.	(b) Are authorized by specific decisions of the Assembly.	
Administration of appropriations	**Administration of appropriations**	No change.
Regulation 5.8: The Secretary-General shall:	Regulation 5.8: The Secretary-General shall:	IPSAS expense; IPSAS commitment. Some of the language used was developed during the harmonization process of the Financial Regulations and Rules.
(a) Establish detailed financial rules and procedures in order to ensure effective and efficient financial management and the exercise of economy;	(a) Establish detailed financial rules and procedures in order to ensure effective and efficient financial management and the exercise of economy;	
(b) Cause all payments to be made on the basis of supporting documents which ensure that the services or goods have been received;	(b) Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received and that payments have not previously been made;	
(c) Designate the officers who may receive money or assets, enter into commitments and make disbursements on behalf of the Organization;	(c) Designate the officers who may receive moneys, incur obligations and make payments on behalf of the Organization;	
(d) Maintain a system of internal controls designed to provide reasonable assurance regarding the reliability of financial reporting and also assurance that the Organization's resources and assets are safeguarded in accordance with the regulatory framework, in order to meet the aims and objectives of the Organization.	(d) Maintain internal financial control which shall provide for an effective current examination and/or review of financial transactions in order to ensure:	
	(i) The regularity of the receipt, custody and disposal of all funds and other financial resources of the Organization;	
	(ii) The conformity of obligations and expenditures with the appropriations or other financial provisions voted by the General Assembly or with the purposes and rules relating to trust funds and special accounts;	
	(iii) The effective, efficient and economic use of the resources of the Organization.	

Proposed financial regulation	*Existing financial regulation*	*Explanation*
B. Commitments	**B. Commitments, obligations and expenditures**	IPSAS commitment.
Authority and responsibility	**Authority and responsibility**	No change.
Regulation 5.9: Commitments for current or future budget periods shall be incurred only after allotments or other appropriate authorizations have been issued under the authority of the Secretary-General.	Regulation 5.9: Obligations for the current financial period or commitments for current and future financial periods shall be incurred only after allotments or other appropriate authorizations have been made in writing under the authority of the Secretary-General.	IPSAS commitment; editorial change; "financial period" was replaced with "budget period".
Peacekeeping reimbursements	**Peacekeeping reimbursements**	
Regulation 5.10: Member States that contribute troops and formed police to peacekeeping operations shall be reimbursed at rates approved by the General Assembly. Member States shall also be reimbursed for contingent-owned equipment at rates approved by the Assembly.	Regulation 5.10: Member States that contribute troops to peacekeeping operations shall be reimbursed at rates approved by the General Assembly. Member States shall also be reimbursed for contingent-owned equipment at rates approved by the Assembly.	A change was made to include formed police.
Ex gratia payments	**Ex gratia payments**	No change.
Regulation 5.11: The Secretary-General may make such ex gratia payments as are deemed to be necessary in the interest of the Organization, provided that a statement of such payments shall be submitted to the Board of Auditors with the financial statements.	Regulation 5.11: The Secretary-General may make such ex gratia payments as are deemed to be necessary in the interest of the Organization, provided that a statement of such payments shall be submitted to the Board of Auditors with the accounts.	"Accounts" was replaced with "financial statements".
C. Procurement	**C. Procurement**	No change.
General principles	**General principles**	No change.
Regulation 5.12: Procurement functions include all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works. The following general principles shall be given due consideration when exercising the procurement functions of the United Nations: (a) Best value for money; (b) Fairness, integrity and transparency; (c) Effective international competition; (d) The interest of the United Nations.	Regulation 5.12: Procurement functions include all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works. The following general principles shall be given due consideration when exercising the procurement functions of the United Nations: (a) Best value for money; (b) Fairness, integrity and transparency; (c) Effective international competition; (d) The interest of the United Nations	No change.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Regulation 5.13: Tenders for goods and services shall be invited by advertisement, except where the Secretary-General deems that, in the interests of the Organization, a departure from this regulation is desirable.	Regulation 5.13: Tenders for equipment, supplies and other requirements shall be invited by advertisement, except where the Secretary-General deems that, in the interests of the Organization, a departure from this regulation is desirable.	"Equipment, supplies and other requirements" was replaced with "goods and services".
D. Property management	**D. Property management**	No change.
Disposition of assets of peacekeeping operations	**Disposition of assets of peacekeeping operations**	No change.
Regulation 5.14: Following the liquidation of a peacekeeping operation, equipment and other property shall be disposed of in accordance with the Financial Regulations and Rules and in the manner indicated below:	Regulation 5.14: Following the liquidation of a peacekeeping operation, equipment and other property shall be disposed of in accordance with the Financial Regulations and Rules and in the manner indicated below:	No change.
(a) Equipment in good condition that conforms to established standardization or is considered compatible with existing equipment will be redeployed to other peacekeeping operations or will be placed in reserve to form start-up kits for use by future missions;	(a) Equipment in good condition that conforms to established standardization or is considered compatible with existing equipment will be redeployed to other peacekeeping operations or will be placed in reserve to form start-up kits for use by future missions;	
(b) Equipment not required for current or future peacekeeping operations may be redeployed to other United Nations activities funded from assessed contributions, provided that there is a demonstrated need for the equipment;	(b) Equipment not required for current or future peacekeeping operations may be redeployed to other United Nations activities funded from assessed contributions, provided that there is a demonstrated need for the equipment;	
(c) Equipment not required for current or future peacekeeping operations or other United Nations activities funded from assessed contributions but which may be useful for the operations of other United Nations agencies, international organizations or non-governmental organizations will be sold to such agencies or organizations;	(c) Equipment not required for current or future peacekeeping operations or other United Nations activities funded from assessed contributions but which may be useful for the operations of other United Nations agencies, international organizations or non-governmental organizations will be sold to such agencies or organizations;	
(d) Any equipment or property not required or which it is not feasible to dispose of in accordance with subparagraphs (a), (b) or (c) above or which is in poor condition will be subject to commercial disposal in accordance with the procedures applicable to other United Nations equipment or property;	(d) Any equipment or property not required or which it is not feasible to dispose of in accordance with subparagraphs (a), (b) or (c) above or which is in poor condition will be subject to commercial disposal in accordance with the procedures applicable to other United Nations equipment or property;	

Proposed financial regulation	*Existing financial regulation*	*Explanation*
(e) Any assets which have been installed in a country and which, if dismantled, would set back the rehabilitation of that country shall be provided to the duly recognized Government of that country in return for compensation in a form to be agreed by the Organization and the Government. This refers in particular to airfield installations and equipment, buildings, bridges and mine-clearing equipment. Where such assets cannot be disposed of in this manner or otherwise, they will be contributed free of charge to the Government of the country concerned. Such contributions require the prior approval of the General Assembly.	(e) Any assets which have been installed in a country and which, if dismantled, would set back the rehabilitation of that country shall be provided to the duly recognized Government of that country in return for compensation in a form to be agreed by the Organization and the Government. This refers in particular to airfield installations and equipment, buildings, bridges and mine-clearing equipment. Where such assets cannot be disposed of in this manner or otherwise, they will be contributed free of charge to the Government of the country concerned. Such contributions require the prior approval of the General Assembly.	
A report on the final disposition of assets for each liquidated peacekeeping operation shall be submitted to the General Assembly.	A report on the final disposition of assets for each liquidated peacekeeping operation shall be submitted to the General Assembly.	
E. Internal audit	**E. Internal audit**	No change.
Regulation 5.15: The Office of Internal Oversight Services shall conduct independent internal audits in accordance with regulation 5.8 (d) and in conformity with generally accepted auditing standards. Internal auditors shall review, evaluate and report on the use of financial resources and on the effectiveness, adequacy and application of internal financial control systems, procedures and other relevant internal controls. Internal audits shall also include the following elements:	Regulation 5.15: The Office of Internal Oversight Services shall conduct independent internal audits in accordance with regulation 5.8 (d) and in conformity with generally accepted auditing standards. Internal auditors shall review, evaluate and report on the use of financial resources and on the effectiveness, adequacy and application of internal financial control systems, procedures and other relevant internal controls. Internal audits shall also include the following elements:	No change.
(a) Compliance of financial transactions with General Assembly resolutions, approved programmes and other legislative mandates, with regulations and rules and related administrative instructions and with the approved recommendations of external oversight bodies;	(a) Compliance of financial transactions with General Assembly resolutions, approved programmes and other legislative mandates, with regulations and rules and related administrative instructions and with the approved recommendations of external oversight bodies;	
(b) Economy, efficiency and effectiveness of financial, physical and human resources management and utilization and of programme delivery, including by examining the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates and by conducting management audits.	(b) Economy, efficiency and effectiveness of financial, physical and human resources management and utilization and of programme delivery, including by examining the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates and by conducting management audits.	

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Article VI. Accounting	**Article VI. Accounting**	No change.
Financial statements	**Principal accounts**	A change was made to refer to financial statements instead of principal accounts.
Regulation 6.1: The financial statements shall be prepared annually in United States dollars in accordance with these regulations and rules, decisions of the appropriate legislative bodies and International Public Sector Accounting Standards.	Regulation 6.1: The Secretary-General shall submit accounts for the financial period. In addition, the Secretary-General shall maintain and safeguard against damage, destruction, unauthorized access and removal of such accounting records as are necessary for management purposes, including interim accounts for the first calendar year of the financial period. Both the interim accounts and the accounts for the financial period shall show: (a) The income and expenditures of all funds; (b) The status of appropriations, including: (i) The original budget appropriations; (ii) The appropriations as modified by any transfers; (iii) Credits, if any, other than the appropriations voted by the General Assembly; (iv) The amounts charged against those appropriations and/or other credits; (c) The assets and liabilities of the Organization. The Secretary-General shall also give such other information as may be appropriate to indicate the current financial position of the Organization.	The current regulation is being replaced with a new regulation to comply with the IPSAS prescriptions as to the form and substance of annual financial statements.
Regulation 6.2: The Secretary-General shall transmit the annual financial statements to the Board of Auditors following certification no later than 3 months following the end of the relevant financial period.	Regulation 6.5: The accounts for the financial period, except those for peacekeeping operations with special accounts, shall be submitted by the Secretary-General to the Board of Auditors no later than 31 March following the end of the financial period. The annual accounts for peacekeeping operations with special accounts shall be submitted by the Secretary-General to the Board of Auditors no later than 30 September each year.	Change in numbering; IPSAS annual financial statements.
Regulation 6.3: Appropriate separate accounts shall be maintained for all trust funds and reserve and special accounts.	Regulation 6.2: Appropriate separate accounts shall be maintained for all trust funds and reserve and special accounts.	Change in numbering.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Currency of accounting records	**Currency of accounting records**	No change.
Regulation 6.4: The accounts of the Organization shall be presented in United States dollars. Accounting records may, however, be kept in such currency or currencies as the Secretary-General may deem necessary.	Regulation 6.3: The accounts of the Organization shall be presented in United States dollars. Accounting records may, however, be kept in such currency or currencies as the Secretary-General may deem necessary.	Change in numbering.
Writing off losses of assets, including cash, inventories and property, plant and equipment	**Writing off losses of cash, receivables and property**	IPSAS property, plant and equipment.
Regulation 6.5: The Secretary-General may, after full investigation, authorize the writing-off of losses of assets, including cash, inventories and property, plant and equipment, provided that a statement of all such amounts written off shall be submitted to the Board of Auditors with the annual financial statements submitted in accordance with regulation 6.1.	Regulation 6.4: The Secretary-General may, after full investigation, authorize the writing-off of losses of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the Board of Auditors with the accounts.	Change in numbering; changed to include cash, inventories and property, plant and equipment as write-offs to be submitted with the financial statements under regulation 6.1.
Article VII. Board of Auditors	**Article VII. Board of Auditors**	No change.
Appointment of a board of auditors	**Appointment of a board of auditors**	No change.
Tenure of office of the members of the Board of Auditors	**Tenure of office of the members of the Board of Auditors**	No change.
Regulation 7.1: The General Assembly shall appoint a board of auditors to perform an annual audit of the accounts of the United Nations. This board shall consist of three members, each of whom shall be the Auditor-General (or officer holding the equivalent title) of a Member State.	Regulation 7.1: The General Assembly shall appoint a board of auditors to perform the audit of the accounts of the United Nations. This board shall consist of three members, each of whom shall be the Auditor-General (or officer holding the equivalent title) of a Member State.	Changed to specify that the Board will perform an annual audit.
Regulation 7.2: The members of the Board of Auditors shall be elected by the General Assembly for a non-renewable term of office of six years' duration. The term of office shall commence on 1 July and expire on 30 June six years subsequent thereto. The term of office of one of the members shall expire every other year. Consequently, the General Assembly shall elect every two years a member to take office from 1 July of the following year.	Regulation 7.2: The members of the Board of Auditors shall be elected for a non-renewable term of office of six years' duration. The term of office shall commence on 1 July and expire on 30 June six years subsequent thereto. The term of office of one of the members shall expire every other year. Consequently, the General Assembly shall elect every two years a member to take office from 1 July of the following year.	Changed to clarify that members of the Board of Auditors are elected by the General Assembly.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Regulation 7.3: If a member of the Board of Auditors ceases to hold office as Auditor-General (or equivalent title) in his or her own country, the member's tenure of office shall thereupon be terminated and he or she shall be succeeded as a member of the Board by his or her successor as Auditor-General. A Board member may not otherwise be removed during his or her tenure of office except by the General Assembly.	Regulation 7.3: If a member of the Board of Auditors ceases to hold office as Auditor-General (or equivalent title) in his or her own country, the member's tenure of office shall thereupon be terminated and he or she shall be succeeded as a member of the Board by his or her successor as Auditor-General. A Board member may not otherwise be removed during his or her tenure of office except by the General Assembly.	No change.
Audit standards, scope and operations	**Audit standards, scope and operations**	No change.
Regulation 7.4: The audit shall be conducted in conformity with generally accepted common auditing standards and, subject to any special directions of the General Assembly, in accordance with the additional terms of reference set out in the annex to the present Regulations.	Regulation 7.4: The audit shall be conducted in conformity with generally accepted common auditing standards and, subject to any special directions of the General Assembly, in accordance with the additional terms of reference set out in the annex to the present Regulations.	No change.
Regulation 7.5: The Board of Auditors may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization.	Regulation 7.5: The Board of Auditors may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization.	No change.
Regulation 7.6: The Board of Auditors shall be completely independent and solely responsible for the conduct of the audit.	Regulation 7.6: The Board of Auditors shall be completely independent and solely responsible for the conduct of the audit.	No change.
Regulation 7.7: The Advisory Committee may request the Board of Auditors to perform certain specific examinations and issue separate reports on the results.	Regulation 7.7: The Advisory Committee may request the Board of Auditors to perform certain specific examinations and issue separate reports on the results.	No change.
Regulation 7.8: The Board of Auditors shall, subject to the concurrence of the Advisory Committee, allocate and rotate the audit work among the members of the Board.	Regulation 7.8: The Board of Auditors shall, subject to the concurrence of the Advisory Committee, allocate and rotate the audit work among the members of the Board.	No change.
Facilities	**Facilities**	
Regulation 7.9: The Secretary-General shall provide the Board of Auditors with the facilities it may require in the performance of the audit.	Regulation 7.9: The Secretary-General shall provide the Board of Auditors with the facilities it may require in the performance of the audit.	No change.

Proposed financial regulation	*Existing financial regulation*	*Explanation*
Regulation 7.10: For the purpose of making a local or special examination or of effecting economies in the audit cost, the Board of Auditors may engage the services of any national Auditor-General (or officer holding the equivalent title) or commercial public auditors of known repute or any other person or firm which, in the opinion of the Board, is technically qualified.	Regulation 7.10: For the purpose of making a local or special examination or of effecting economies in the audit cost, the Board of Auditors may engage the services of any national Auditor-General (or officer holding the equivalent title) or commercial public auditors of known repute or any other person or firm which, in the opinion of the Board, is technically qualified.	No change.
Reporting	**Reporting**	No change.
Regulation 7.11: The Board of Auditors shall issue a report on the audit of the financial statements and relevant schedules relating to the accounts for the financial period, which shall include such information as the Board deems necessary with regard to matters referred to in regulation 7.5 and in the additional terms of reference.	Regulation 7.11: The Board of Auditors shall issue a report on the audit of the financial statements and relevant schedules relating to the accounts for the financial period, which shall include such information as he Board deems necessary with regard to matters referred to in regulation 7.5 and in the additional terms of eference.	No change
Regulation 7.12: The reports of the Board of Auditors shall be transmitted to the General Assembly through the Advisory Committee, together with the audited financial statements, in accordance with any directions given by the Assembly. The Advisory Committee shall examine the financial statements and the audit reports and shall forward them to the Assembly with such comments as it deems appropriate.	Regulation 7.12: The reports of the Board of Auditors shall be transmitted to the General Assembly through the Advisory Committee, together with the audited financial statements, in accordance with any directions given by the Assembly. The Advisory Committee shall examine the financial statements and the audit reports and shall forward them to the Assembly with such comments as it deems appropriate.	No change.
Annex	**Annex**	
Additional terms of reference governing the audit of the United Nations	**Additional terms of reference governing the audit of the United Nations**	No change.
1. The Board of Auditors shall perform jointly and severally such audit of the accounts of the United Nations, including all trust funds and special accounts, as it deems necessary in order to satisfy itself:	1. The Board of Auditors shall perform jointly and severally such audit of the accounts of the United Nations, including all trust funds and special accounts, as it deems necessary in order to satisfy itself:	In general, changes were made to the annex to replace UNSAS terminology with IPSAS terminology, such as replacing "obligation" with "commitment" and replacing "supplies and equipment" with "inventories and property, plant and equipment".
(a) That the financial statements are in accord with the books and records of the Organization;	(a) That the financial statements are in accord with the books and records of the Organization;	
(b) That the financial transactions reflected in the statements have been in accordance with the Regulations and Rules, the budgetary provisions and other applicable directives;	(b) That the financial transactions reflected in the statements have been in accordance with the Rules and Regulations, the budgetary provisions and other applicable directives;	

Proposed financial regulation	*Existing financial regulation*	*Explanation*
(c) That the internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereupon;	(c) That the securities and moneys on deposit and on hand have been verified by certificate received direct from the Organization's depositaries or by actual count;	Paragraph 1 (c) was deleted as this language is outdated and is covered by existing paragraphs 1 (d) and (e) — (new paragraphs 1 (c) and (d)).
(d) That procedures satisfactory to the Board of Auditors have been applied to the recording of all assets, liabilities, surpluses and deficits.	(d) That the internal controls, including the internal audit, are adequate in the light of the extent of reliance placed thereupon;	
2. The Board of Auditors shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Secretary-General and may proceed to such detailed examination and verification as it chooses of all financial records, including those relating to inventories and property, plant and equipment.	(e) That procedures satisfactory to the Board of Auditors have been applied to the recording of all assets, liabilities, surpluses and deficits.	
3. The Board of Auditors and its staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the Board, necessary for the performance of the audit. Information which is classified as privileged and which the Secretary-General (or his or her designated senior official) agrees is required by the Board for the purposes of the audit and information classified as confidential shall be made available on application. The Board of Auditors and its staff shall respect the privileged and confidential nature of any information so classified which has been made available and shall not make use of it except in direct connection with the performance of the audit. The Board may draw the attention of the General Assembly to any denial of information classified as privileged which, in its opinion, was required for the purpose of the audit.	2. The Board of Auditors shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Secretary-General and may proceed to such detailed examination and verification as it chooses of all financial records, including those relating to supplies and equipment. 3. The Board of Auditors and its staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the Board, necessary for the performance of the audit. Information which is classified as privileged and which the Secretary-General (or his or her designated senior official) agrees is required by the Board for the purposes of the audit and information classified as confidential shall be made available on application. The Board of Auditors and its staff shall respect the privileged and confidential nature of any information so classified which has been made available and shall not make use of it except in direct connection with the performance of the audit. The Board may draw the attention of the General Assembly to any denial of information classified as privileged which, in its opinion, was required for the purpose of the audit.	
4. The Board of Auditors shall have no power to adjust the financial statements but shall draw to the attention of the Secretary-General, for appropriate action, any transaction concerning which it entertains doubt as to legality or propriety. Audit objections to these or any other transactions arising during the examination of the accounts shall be communicated immediately to the Secretary-General.	4. The Board of Auditors shall have no power to disallow items in the accounts but shall draw to the attention of the Secretary-General, for appropriate action, any transaction concerning which it entertains doubt as to legality or propriety. Audit objections to these or any other transactions arising during the examination of the accounts shall be communicated immediately to the Secretary-General.	"Disallow items on the accounts" was replaced with "adjust the financial statements".
5. The Board of Auditors (or such of its officers as it may designate) shall express and sign an opinion on the financial statements of the United Nations. The opinion shall include the following basic elements:		

Proposed financial regulation	*Existing financial regulation*	*Explanation*
(a) The identification of the financial statements audited;	5. The Board of Auditors (or such of its officers as it may designate) shall express and sign an opinion on the financial statements of the United Nations. The opinion shall include the following basic elements:	
(b) A reference to the responsibility of the Secretary-General and the responsibility of the Board of Auditors;	(a) The identification of the financial statements audited;	
(c) A reference to the audit standards followed;	(b) A reference to the responsibility of the Secretary-General and the responsibility of the Board of Auditors;	
(d) A description of the work performed;	(c) A reference to the audit standards followed;	
(e) An expression of opinion on the financial statements as to whether:	(d) A description of the work performed;	
(i) The financial statements present fairly the financial position as at the end of the period and the results of the operations for the period; and	(e) An expression of opinion on the financial statements as to whether:	
(ii) The financial statements were prepared in accordance with the stated accounting standards and policies;	(i) The financial statements present fairly the financial position as at the end of the period and the results of the operations for the period;	
(f) An expression of opinion on the compliance of transactions with the Financial Regulations and legislative authority;	(ii) The financial statements were prepared in accordance with the stated accounting policies; and	
(g) The date of the opinion;	(iii) The accounting policies were applied on a basis consistent with that of the preceding financial period;	Paragraph 5 (c) (iii) was deleted as this will be covered by IPSAS.
(h) The names and positions of the members of the Board of Auditors;	(f) An expression of opinion on the compliance of transactions with the Financial Regulations and legislative authority;	
(i) Should it be necessary, a reference to the report of the Board of Auditors on the financial statements.	(g) The date of the opinion;	
6. The report of the Board of Auditors to the General Assembly on the financial operations of the period should mention:	(h) The names and positions of the members of the Board of Auditors;	
(a) The type and scope of its examination;	(i) Should it be necessary, a reference to the report of the Board of Auditors on the financial statements.	
(b) Matters affecting the completeness or accuracy of the financial statements, including where appropriate:	6. The report of the Board of Auditors to the General Assembly on the financial operations of the period should mention:	
(i) Information necessary to the correct interpretation of the financial statements;	(a) The type and scope of its examination;	
(ii) Any amounts which ought to have been received but which have not been brought to account;		

Proposed financial regulation	*Existing financial regulation*	*Explanation*
(iii) Contingencies which have not been properly disclosed in the financial statements;	(b) Matters affecting the completeness or accuracy of the accounts, including where appropriate:	
(iv) Expenditures not properly substantiated;	(i) Information necessary to the correct interpretation of the accounts;	
(v) Whether proper books of accounts have been kept — where in the presentation of statements there are deviations of a material nature from the stated accounting standards and policies these should be disclosed;	(ii) Any amounts which ought to have been received but which have not been brought to account;	
(c) Other matters which should be brought to the notice of the General Assembly, such as:	(iii) Any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements;	Paragraph 6 (b) (iii) has been modified as commitments are not recorded in the financial statements under IPSAS.
(i) Cases of fraud or presumptive fraud;	(iv) Expenditures not properly substantiated;	
(ii) Wasteful or improper expenditure of the Organization's money or other assets (notwithstanding that the accounting for the transaction may be correct);	(v) Whether proper books of accounts have been kept, where in the presentation of statements there are deviations of a material nature from the generally accepted accounting principles applied on a consistent basis, these should be disclosed;	
(iii) Expenditure likely to commit the Organization to further outlay on a large scale;	(c) Other matters which should be brought to the notice of the General Assembly, such as:	
(iv) Any defect in the general system or controls governing receipts and disbursements or assets, including inventories and property, plant and equipment;	(i) Cases of fraud or presumptive fraud;	
(v) Expenditure not in accordance with the intention of the General Assembly after making allowance for duly authorized transfers within the budget;	(ii) Wasteful or improper expenditure of the Organization's money or other assets (notwithstanding that the accounting for the transaction may be correct);	
(vi) Expenditure in excess of appropriations as amended by duly authorized transfers within the budget;	(iii) Expenditure likely to commit the Organization to further outlay on a large scale;	
(vii) Expenditure not in conformity with the authority which governs it;	(iv) Any defect in the general system or detailed regulations governing the control of receipts and disbursements or of supplies and equipment;	
(d) The accuracy or otherwise of inventories and property, plant and equipment records as determined by stock-taking and examination of the records;	(v) Expenditure not in accordance with the intention of the General Assembly after making allowance for duly authorized transfers within the budget;	
(e) If appropriate, transactions accounted for in a previous financial period concerning which further information has been obtained or transactions in a later financial period concerning which it seems desirable that the General Assembly should have early knowledge.	(vi) Expenditure in excess of appropriations as amended by duly authorized transfers within the budget;	
	(vii) Expenditure not in conformity with the authority which governs it;	

Proposed financial regulation	*Existing financial regulation*	*Explanation*
7. The Board of Auditors may make such observations with respect to its findings resulting from the audit and such comments on the Secretary-General's financial report as it deems appropriate to the General Assembly or to the Secretary-General.	(d) The accuracy or otherwise of the supplies and equipment records as determined by stock-taking and examination of the records;	
8. Whenever the scope of audit of the Board of Auditors is restricted or whenever the Board is unable to obtain sufficient evidence, it shall refer to the matter in its opinion and report, making clear in its report the reasons for its comments and the effect on the financial position and the financial transactions as recorded.	(e) If appropriate, transactions accounted for in a previous period concerning which further information has been obtained or transactions in a later period concerning which it seems desirable that the General Assembly should have early knowledge.	
9. In no case shall the Board of Auditors include criticism in its report without first affording the Secretary-General an adequate opportunity of explanation on the matter under observation.	7. The Board of Auditors may make such observations with respect to its findings resulting from the audit and such comments on the Secretary-General's financial report as it deems appropriate to the General Assembly or to the Secretary-General.	
10. The Board is not required to mention any matter referred to in the foregoing that, in its opinion, is insignificant in all respects.	8. Whenever the scope of audit of the Board of Auditors is restricted or whenever the Board is unable to obtain sufficient evidence, it shall refer to the matter in its opinion and report, making clear in its report the reasons for its comments and the effect on the financial position and the financial transactions as recorded.	
	9. In no case shall the Board of Auditors include criticism in its report without first affording the Secretary-General an adequate opportunity of explanation on the matter under observation.	
	10. The Board is not required to mention any matter referred to in the foregoing that, in its opinion, is insignificant in all respects.	

Annex II

New Financial Rules

New financial rule	*Existing financial rule*	*Explanation*
Article I. General provisions	**Article I. General provisions**	No change.
Applicability and authority	**Applicability and authority**	No change.
Rule 101.1	**Rule 101.1**	No change.
The Financial Rules are promulgated by the Secretary-General in accordance with the provisions of the Financial Regulations approved by the General Assembly. They shall govern all the financial management activities of the United Nations except as may otherwise explicitly be provided by the Assembly or unless specifically exempted therefrom by the Secretary-General. The Secretary-General hereby delegates authority and responsibility for the implementation of the Financial Regulations and Rules to the Under-Secretary-General for Management. The Under-Secretary-General for Management may in turn delegate by administrative instruction authority for specified aspects of the Financial Regulations and Rules. These administrative instructions will state whether the delegated official may assign aspects of this authority to other officials. In the application of the Financial Regulations and Rules, officials shall be guided by the principles of effective and efficient financial management and the exercise of economy.	The Financial Rules are promulgated by the Secretary-General in accordance with the provisions of the Financial Regulations approved by the General Assembly. They shall govern all the financial management activities of the United Nations except as may otherwise explicitly be provided by the Assembly or unless specifically exempted therefrom by the Secretary-General. The Secretary-General hereby delegates authority and responsibility for the implementation of the Financial Regulations and Rules to the Under-Secretary-General for Management. The Under-Secretary-General for Management may in turn delegate by administrative instruction authority for specified aspects of the Financial Regulations and Rules. These administrative instructions will state whether the delegated official may assign aspects of this authority to other officials. In the application of the Financial Regulations and Rules, officials shall be guided by the principles of effective and efficient financial management and the exercise of economy.	No change.
Responsibility and accountability	**Responsibility and accountability**	No change.
Rule 101.2	**Rule 101.2**	
All United Nations staff are obligated to comply with the Financial Regulations and Rules and with administrative instructions issued in connection with those Regulations and Rules. Any staff member who contravenes the Financial Regulations and Rules and corresponding administrative instructions may be held personally accountable and financially liable for their actions.	All United Nations staff are obligated to comply with the Financial Regulations and Rules and with administrative instructions issued in connection with those Regulations and Rules. Any staff member who contravenes the Financial Regulations and Rules and corresponding administrative instructions may be held personally accountable and financially liable for their actions.	No change.

New financial rule	*Existing financial rule*	*Explanation*
Definitions	**Definitions**	No change.
Rule 101.3	**Rule 101.3**	No change.
For the purpose of these Rules:	For the purpose of these Rules:	No change.
(a) "Advisory Committee" shall mean the Advisory Committee on Administrative and Budgetary Questions;	(a) "Advisory Committee" shall mean the Advisory Committee on Administrative and Budgetary Questions;	
(b) "Department" shall mean any department, office or other distinct organizational entity;	(b) "Department" shall mean any department, office or other distinct organizational entity;	
(c) "Head of Department" shall mean the Under-Secretary-General, Assistant Secretary-General, Director or other officer in charge of a department, as defined in subparagraph (b) above.	(c) "Head of Department" shall mean the Under-Secretary-General, Assistant Secretary-General, Director or other officer in charge of a department, as defined in subparagraph (b) above.	
Article II. Budgets	**Article II. Budgets**	No change.
A. Programme budget	**A. Programme budget**	No change.
Authority and responsibility	**Authority and responsibility**	No change.
Rule 102.1	**Rule 102.1**	No change.
(a) The Secretary-General shall decide on the programme content and resource allocation of the proposed programme budget to be submitted to the General Assembly.	(a) The Secretary-General shall decide on the programme content and resource allocation of the proposed programme budget to be submitted to the General Assembly.	"Financial period" was replaced with "budget period". Reference to ST/SGB/2000/8 was also deleted since the bulletin may be revised in the future, in which case the rule would also have to be revised.
(b) Heads of department shall prepare programme budget proposals for the forthcoming budget period at such times and in such detail as the Under-Secretary-General for Management may prescribe and in accordance with the Financial Regulations and Rules and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.	(b) Heads of department shall prepare programme budget proposals for the forthcoming financial period at such times and in such detail as the Under-Secretary-General for Management may prescribe and in accordance with the Financial Regulations and Rules and the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2000/8).	
Presentation, content and methodology	**Presentation, content and methodology**	No change.
Rule 102.2	**Rule 102.2**	No change.
In addition to the detailed requirements of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of	In addition to the detailed requirements of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of	"Financial period" was replaced with "budget period"; reclassification of miscellaneous income.

New financial rule	*Existing financial rule*	*Explanation*
Implementation and the Methods of Evaluation, the proposed programme budget shall contain:	Implementation and the Methods of Evaluation, the proposed programme budget shall contain:	
(a) A detailed statement of resources by section, programme and subprogramme; for purposes of comparison, the expenditures for the previous budget period and the revised appropriations for the current budget period shall be indicated alongside the resource estimates for the forthcoming budget period;	(a) A detailed statement of resources by section, programme and subprogramme; for purposes of comparison, the expenditures for the previous financial period and the revised appropriations for the current financial period shall be indicated alongside the resource estimates for the forthcoming financial period;	
(b) A statement of estimated income, including staff assessment income and net revenue in accordance with regulation 3.3; information on revenue-producing activities shall show estimated gross revenue and expenditure for each activity as well as the credit to the income section of the budget in respect of the net revenue from each such activity.	(b) A statement of estimated income, including staff assessment income and income classified as miscellaneous in accordance with regulation 3.13; information on revenue-producing activities shall show estimated gross revenue and expenditure for each activity as well as the credit to the income section of the budget in respect of the net revenue from each such activity.	
Publication of the approved programme budget	**Publication of the approved programme budget**	No change.
Rule 102.3	**Rule 102.3**	No change.
The Under-Secretary-General for Management shall arrange for the publication of the programme budget as approved by the General Assembly.	The Under-Secretary-General for Management shall arrange for the publication of the programme budget as approved by the General Assembly.	No change.
Revised and supplementary programme budget requirements	**Revised and supplementary programme budget requirements**	No change.
Rule 102.4	**Rule 102.4**	No change.
Revised and supplementary programme budget proposals may be submitted in the following instances:	Revised and supplementary programme budget proposals may be submitted in the following instances:	No change.
(a) When, in the interest of peace and security, urgent approval is required;	(a) When, in the interest of peace and security, urgent approval is required;	
(b) When they include activities which the Secretary-General considers to be of the highest urgency and which could not have been foreseen at the time the initial programme budget proposals were prepared;	(b) When they include activities which the Secretary-General considers to be of the highest urgency and which could not have been foreseen at the time the initial programme budget proposals were prepared;	
(c) In respect of decisions taken by the General Assembly;	(c) In respect of decisions taken by the General Assembly;	

New financial rule	*Existing financial rule*	*Explanation*
(d) In respect of decisions taken by the Security Council, the Economic and Social Council or the Trusteeship Council;	(d) In respect of decisions taken by the Security Council, the Economic and Social Council or the Trusteeship Council;	
(e) When they cover activities mentioned in earlier programme budget proposals as items for which later submissions would be made;	(e) When they cover activities mentioned in earlier programme budget proposals as items for which later submissions would be made;	
(f) When they involve changes in expenditure requirements associated with inflation and currency fluctuations.	(f) When they involve changes in expenditure requirements associated with inflation and currency fluctuations.	
Revised and supplementary programme budget proposals, presentation and submission	**Revised and supplementary programme budget proposals, presentation and submission**	No change.
Rule 102.5	**Rule 102.5**	No change.
(a) Heads of department shall prepare revised and supplementary programme budget proposals in such detail and at such times as the Under-Secretary-General for Management may prescribe.	(a) Heads of department shall prepare revised and supplementary programme budget proposals in such detail and at such times as the Under-Secretary-General for Management may prescribe.	No change.
(b) The Secretary-General shall decide on the programme content and resource allocation of all revised and supplementary programme budget proposals to be submitted to the General Assembly.	(b) The Secretary-General shall decide on the programme content and resource allocation of all revised and supplementary programme budget proposals to be submitted to the General Assembly.	
Resolutions with programme budget implications	**Resolutions with programme budget implications**	No change.
Rule 102.6	**Rule 102.6**	No change.
All heads of department are responsible for preparing, obtaining clearance thereon from the Under-Secretary-General for Management, and presenting to relevant legislative bodies the statements on programme budget implications required by regulation 2.10.	All heads of department are responsible for preparing, obtaining clearance thereon from the Under-Secretary-General for Management, and presenting to relevant legislative bodies the statements on programme budget implications required by regulation 2.10.	No change.
Unforeseen and extraordinary expenses	**Unforeseen and extraordinary expenses**	No change.
Rule 102.7	**Rule 102.7**	No change.
(a) Authorizations to incur commitments in accordance with General Assembly resolutions relating to unforeseen and extraordinary expenses shall be issued by the Under-Secretary-General for Management.	(a) Authorizations to incur commitments in accordance with General Assembly resolutions relating to unforeseen and extraordinary expenses shall be issued by the Under-Secretary-General for Management.	No change.

New financial rule	*Existing financial rule*	*Explanation*
(b) The Under-Secretary-General for Management shall report to the General Assembly on the status of all commitments relating to unforeseen and extraordinary expenses in the performance reports on the programme budget.	(b) The Under-Secretary-General for Management shall report to the General Assembly on the status of all commitments relating to unforeseen and extraordinary expenses in the performance reports on the programme budget.	
B. Peacekeeping operation budgets	**B. Peacekeeping operation budgets**	No change.
Authority, responsibility, submission and approval	**Authority, responsibility, submission and approval**	No change.
Rule 102.8	**Rule 102.8**	No change.
(a) The Secretary-General shall decide on the objectives, expected accomplishments, outputs, activities and resource allocation in all peacekeeping operation budgets submitted to the General Assembly.	(a) The Secretary-General shall decide on the objectives, expected accomplishments, outputs, activities and resource allocation in all peacekeeping operation budgets submitted to the General Assembly.	No change.
(b) Budget estimates for peacekeeping operations shall be prepared at such times and in such detail and form as the Under-Secretary-General for Management may prescribe and in accordance with the requirements of the General Assembly.	(b) Budget estimates for peacekeeping operations shall be prepared at such times and in such detail and form as the Under-Secretary-General for Management may prescribe and in accordance with the requirements of the General Assembly.	
Article III. Contributions and other income	**Article III. Contributions and other income**	No change.
A. Programme budget	**A. Programme budget**	No change.
Requests for payment of assessed contributions	**Requests for payment of assessed contributions**	No change.
Rule 103.1	**Rule 103.1**	No change.
The Under-Secretary-General for Management shall comply with regulation 3.4 within thirty days of the General Assembly's decision to approve or revise the programme budget and the level of the Working Capital Fund. Requests for the payment of assessed contributions and advances to the Working Capital Fund shall also inform Member States of the extent to which and the conditions under which their contributions and advances may be paid in currencies other than the United States dollar.	The Under-Secretary-General for Management shall comply with regulation 3.3 within thirty days of the General Assembly's decision to approve or revise the programme budget and the level of the Working Capital Fund. Requests for the payment of assessed contributions and advances to the Working Capital Fund shall also inform Member States of the extent to which and the conditions under which their contributions and advances may be paid in currencies other than the United States dollar.	Change in numbering of referenced regulation.

New financial rule	*Existing financial rule*	*Explanation*
Assessed contributions from non-member States	**Assessed contributions from non-member States**	No change.
Rule 103.2	**Rule 103.2**	No change.
At the beginning of each calendar year, the Under-Secretary-General for Management shall determine the assessment base on which non-member States are called upon to make contributions, calculate the required contribution of each non-member State applying criteria approved by the General Assembly and inform each non-member State accordingly.	At the beginning of each calendar year, the Under-Secretary General for Management shall determine the assessment base on which non-member States are called upon to make contributions, calculate the required contribution of each non-member State applying criteria approved by the General Assembly and inform each non-member State accordingly.	No change.
Currency of assessed contributions	**Currency of assessed contributions**	No change.
Rule 103.3	**Rule 103.3**	No change.
(a) To the extent authorized by the General Assembly, and notwithstanding regulation 3.10, assessed contributions and advances to the Working Capital Fund may be paid in currencies other than the United States dollar if the Under-Secretary-General for Management is satisfied that:	(a) To the extent authorized by the General Assembly, and notwithstanding regulation 3.9, assessed contributions and advances to the Working Capital Fund may be paid in currencies other than the United States dollar if the Under-Secretary-General for Management is satisfied that:	Change in numbering of referenced regulation.
(i) The currencies are required to meet expenses to be settled in the same currencies;	(i) The currencies are required to meet expenses to be settled in those selfsame currencies;	Editorial change.
(ii) The currencies represent freely transferable and readily usable funds throughout the country within which they are to be used, or the donor country, if different, without the need for further negotiations with regard to exchange or other regulations or controls.	(ii) The currencies represent freely transferable and readily usable funds throughout the country within which they are to be used, or the donor country, if different, without the need for further negotiations with regard to exchange or other regulations or controls.	
(b) The equivalent, in United States dollars, of contributions paid in other currencies is calculated at the most favourable rate of exchange available to the United Nations on the date of payment (normally the market buying rate).	(b) The equivalent, in United States dollars, of contributions paid in other currencies is calculated at the most favourable rate of exchange available to the United Nations on the date of payment (normally the market buying rate).	
C. Voluntary contributions, gifts and donations	**C. Voluntary contributions, gifts and donations**	No change.
Authority and liability	**Authority and liability**	No change.
Rule 103.4	**Rule 103.4**	No change.
(a) In cases other than those approved by the General Assembly, the receipt of any voluntary contribution, gift or donation to be administered by the United Nations requires	(a) In cases other than those approved by the General Assembly, the receipt of any voluntary contribution, gift or donation to be administered by the United Nations	No change.

New financial rule	*Existing financial rule*	*Explanation*
the approval of the Under-Secretary-General for Management.	requires the approval of the Under-Secretary-General for Management.	
(b) Voluntary contributions, gifts or donations which directly or indirectly involve additional financial liability for the Organization may be accepted only with the approval of the General Assembly.	(b) Voluntary contributions, gifts or donations which directly or indirectly involve additional financial liability for the Organization may be accepted only with the approval of the General Assembly.	
(c) Gifts or donations are to be defined and administered as voluntary contributions.	(c) Gifts or donations are to be defined and administered as voluntary contributions.	
D. Revenue	**D. Miscellaneous income**	IPSAS revenue.
	New Member States and non-member States	
	Rule 103.5	
	Contributions from non-member States and, for the year of admission to the United Nations, from new Member States, shall be credited as miscellaneous income.	Rule 103.5 was replaced by new regulation 3.3.
Reimbursements of expenses	**Reimbursements of expenditures**	"Expenditures" was replaced with "expenses".
Rule 103.5	**Rule 103.6**	Change in numbering.
(a) Within the same budget period, reimbursements of expenses incurred may be credited to the accounts against which they were originally charged; reimbursements of expenses incurred in prior financial periods shall be credited as other/miscellaneous revenue.	(a) Within the same financial period, reimbursements of actual expenditures incurred may be credited to the accounts against which they were originally charged; reimbursements of actual expenditures incurred in prior financial periods shall be credited as miscellaneous income.	"Financial period" was replaced with "budget period"; IPSAS expense; Editorial change.
(b) Adjustments that arise subsequent to the closing of an extrabudgetary account (i.e. a trust fund, special account, project, etc.) shall be treated as other/miscellaneous revenue in accordance with regulation 3.3.	(b) Adjustments that arise subsequent to the closing of an extrabudgetary account (i.e. a trust fund, special account, project, etc.) shall be debited or credited against miscellaneous income in that selfsame account.	Changes made to take into account that adjustments subsequent to the closure of an account cannot be credited to an account which has been closed; IPSAS revenue.
	Proceeds from revenue-producing activities and from the rental of United Nations office space	
	Rule 103.7	
	Proceeds from revenue-producing activities and from the rental of United Nations office space shall be credited as miscellaneous income.	This rule is deleted as this information is now covered in regulation 3.3.

New financial rule	*Existing financial rule*	*Explanation*
E. Receipt of funds	**E. Receipt of funds**	No change.
Receipt and deposit	**Receipt and deposit**	No change.
Rule 103.6	**Rule 103.8**	Change in numbering.
(a) The United Nations shall receive monies, issue official receipts and deposit monies in an official bank account on a timely basis for the recording in the accounts in accordance with procedures established by the Under-Secretary-General for Management.	(a) An official receipt shall be issued within two business days of receipt for all cash and negotiable instruments received.	Changes made to the current rule in order to incorporate some of the new language developed during the harmonization of the Financial Regulations and Rules and to cover areas where there are no readily available banking facilities.
(b) If officials other than those designated by the Under-Secretary-General receive money intended for the United Nations, they must promptly convey this money to an official authorized to issue an official receipt.	(b) Only officials designated by the Under-Secretary-General for Management shall be authorized to issue official receipts. If other officials receive money intended for the Organization, they must immediately convey this money to an official authorized to issue an official receipt.	
	(c) All moneys received shall be deposited in an official bank account within two business days of receipt.	
Article IV. Custody of funds	**Article IV. Custody of funds**	No change.
A. Internal accounts	**A. Internal accounts**	No change.
Advances from the Working Capital Fund	**Advances from the Working Capital Fund**	No change.
Rule 104.1	**Rule 104.1**	No change.
Advances from the Working Capital Fund may be made only for the purposes and within the terms and conditions prescribed by the General Assembly and only with the approval of the Under-Secretary-General for Management.	Advances from the Working Capital Fund may be made only for the purposes and within the terms and conditions prescribed by the General Assembly and only with the approval of the Under-Secretary-General for Management.	No change.
Advances from the Peacekeeping Reserve Fund	**Advances from the Peacekeeping Reserve Fund**	No change.
Rule 104.2	**Rule 104.2**	No change.
Advances from the Peacekeeping Reserve Fund may be made only for the purposes and within the terms and conditions prescribed, as appropriate, by the Security Council, the General Assembly and the Advisory Committee and only with the approval of the Under-Secretary-General for Management.	Advances from the Peacekeeping Reserve Fund may be made only for the purposes and within the terms and conditions prescribed, as appropriate, by the Security Council, the General Assembly and the Advisory Committee and only with the approval of the Under-Secretary-General for Management.	No change.

New financial rule	*Existing financial rule*	*Explanation*
Trust funds and reserve and special accounts	**Trust funds and reserve and special accounts**	No change.
Rule 104.3	**Rule 104.3**	No change.
Trust funds and reserve and special accounts may be established by the General Assembly or the Secretary-General in respect of specific activities entrusted to the Organization. The establishment, purpose and limits of trust funds and reserve and special accounts established under the authority of the Secretary-General require the approval of the Under-Secretary-General for Management.	Trust funds and reserve and special accounts may be established by the General Assembly or the Secretary-General in respect of specific activities entrusted to the Organization. The establishment, purpose and limits of trust funds and reserve and special accounts established under the authority of the Secretary-General require the approval of the Under-Secretary-General for Management.	No change.
B. Banking	**B. Banking**	No change.
Bank accounts, authority and policy	**Bank accounts, authority and policy**	No change.
Rule 104.4	**Rule 104.4**	No change.
The Under-Secretary-General for Management shall designate the banks in which the funds of the United Nations shall be kept, shall establish all official bank accounts required for the transaction of United Nations business and shall designate those officials to whom signatory authority is delegated for the operation of those accounts. The Under-Secretary-General for Management shall also authorize all bank account closures. United Nations bank accounts are to be opened and operated in accordance with the following guidelines:	The Under-Secretary-General for Management shall designate the banks in which the funds of the United Nations shall be kept, shall establish all official bank accounts required for the transaction of United Nations business and shall designate those officials to whom signatory authority is delegated for the operation of those accounts. The Under-Secretary-General for Management shall also authorize all bank account closures. United Nations bank accounts are to be opened and operated in accordance with the following guidelines:	
(a) Bank accounts shall be designated "official accounts of the United Nations" and the relevant authority shall be notified that those accounts are exempt from all taxation;	(a) Bank accounts shall be designated "official accounts of the United Nations" and the relevant authority shall be notified that those accounts are exempt from all taxation;	
(b) Banks shall be required to provide prompt statements of bank transactions;	(b) Banks shall be required to provide prompt monthly statements;	In (b) "monthly statements" has been replaced with "statements of bank transactions".
(c) Two signatures, or their electronic equivalent, shall be required on all cheques and other withdrawal instructions, including electronic modes of payment;	(c) Two signatures, or their electronic equivalent, shall be required on all cheques and other withdrawal instructions, including electronic modes of payment;	
(d) All banks shall be required to recognize that the Under-Secretary-General for Management is authorized to receive, upon request or as promptly as is practicable, all information pertaining to official bank accounts of the United Nations.	(d) All banks shall be required to recognize that the Under-Secretary-General for Management is authorized to receive, upon request or as promptly as is practicable, all information pertaining to official bank accounts of the United Nations.	

New financial rule	*Existing financial rule*	*Explanation*
Bank signatories	**Bank signatories**	No change.
Rule 104.5	**Rule 104.5**	No change.
Bank signatory authority and responsibility is assigned on a personal basis and cannot be delegated. Bank signatories cannot exercise the approving functions assigned in accordance with rule 105.6. Designated bank signatories must:	Bank signatory authority and responsibility is assigned on a personal basis and cannot be delegated. Bank signatories cannot exercise the approving functions assigned in accordance with rule 105.6. Designated bank signatories must:	Changed to remove outdated language and incorporate some of the language that was developed during the harmonization of the Financial Regulations and Rules process.
(a) Ensure that there are sufficient funds in the bank account when cheques and other payment instructions are presented for payment;	(a) Ensure that there are sufficient funds in the bank account when cheques and other payment instructions are presented for payment;	
(b) Verify that all cheques and other payment instructions are made to the order of the named payee approved by an approving officer (designated in accordance with rule 105.6) and prepared in accordance with banking laws, regulations and standards;	(b) Verify that all cheques and other payment instructions are pre-encumbered, dated and drawn to the order of the named payee approved by an approving officer (designated in accordance with rule 105.6), as indicated in the accompanying disbursement voucher, payment instructions and original invoice;	
(c) Ensure that cheques and other banking instruments are properly safeguarded and that when they are obsolete they are destroyed in accordance with rule 106.11.	(c) Ensure that cheques and other banking instruments are properly safeguarded and that when they are obsolete they are destroyed in accordance with rule 106.11.	
Exchange of currencies	**Exchange of currencies**	No change.
Rule 104.6	**Rule 104.6**	No change.
Officials responsible for the operation of United Nations bank accounts or for holding United Nations cash or negotiable instruments are not authorized to exchange one currency for another, except to the minimum extent necessary for the transaction of official business and for currency management.	Officials responsible for the operation of United Nations bank accounts or for holding United Nations cash or negotiable instruments are not authorized to exchange one currency for another, except to the minimum extent necessary for the transaction of official business.	Change is made to take into account the management of currency.
Remittances to offices away from Headquarters	**Remittances to offices away from Headquarters**	No change.
Rule 104.7	**Rule 104.7**	No change.
Offices away from Headquarters shall obtain their funds through remittances from Headquarters. In the absence of a special authorization from the Under-Secretary-General for Management, those remittances shall not exceed the amount required to bring cash balances up to the levels necessary to meet the recipient office's estimated cash requirements for the next month.	Offices away from Headquarters shall obtain their funds through remittances from Headquarters. In the absence of a special authorization from the Under-Secretary-General for Management, those remittances shall not exceed the amount required to bring cash balances up to the levels necessary to meet the recipient office's estimated cash requirements for the next two and a half months.	The period for which cash requirements are to be estimated has been decreased from two and a half months to one month as, in practice, remittances are given to bring cash balances up to the requirements for only one month.

New financial rule	*Existing financial rule*	*Explanation*
Cash advances	**Cash advances**	No change.
Rule 104.8	**Rule 104.8**	No change.
(a) Petty cash advances and Cashier's Fund advances may be made only by and to officials designated for this purpose by the Under-Secretary-General for Management.	(a) Petty cash advances and Cashier's Fund advances may be made only by and to officials designated for this purpose by the Under-Secretary-General for Management.	Paragraph (d), which was rule 104.10 (c), has been added, as it is important to obtain receipts for cash advances.
(b) The relevant accounts shall be maintained on an imprest system and the amount and purpose of each advance shall be defined by the Under-Secretary-General for Management.	(b) The relevant accounts shall be maintained on an imprest system and the amount and purpose of each advance shall be defined by the Under-Secretary-General for Management.	
(c) The Under-Secretary-General for Management may approve other cash advances as may be permitted by the Staff Regulations and Rules and administrative instructions and as may otherwise be approved in writing by him or her.	(c) The Under-Secretary-General for Management may approve other cash advances as may be permitted by the Staff Regulations and Rules and administrative instructions and as may otherwise be approved in writing by him or her.	
(d) A payee's written receipt shall be obtained for all disbursements of cash advances.		
Rule 104.9	**Rule 104.9**	No change.
Officials to whom cash advances are issued shall be held personally accountable and financially liable for the proper management and safekeeping of cash so advanced and must be in a position to account for these advances at all times. They shall submit monthly accounts unless otherwise directed by the Under-Secretary-General for Management.	Officials to whom cash advances are issued shall be held personally accountable and financially liable for the proper management and safekeeping of cash so advanced and must be in a position to account for these advances at all times. They shall submit monthly accounts unless otherwise directed by the Under-Secretary-General for Management.	No change.
Disbursements/payments	**Disbursements/payments**	No change.
Rule 104.10	**Rule 104.10**	No change.
(a) All disbursements shall be made by electronic funds transfer, by wire transfer or by cheque except to the extent that cash disbursements are authorized by the Under-Secretary-General for Management.	(a) All disbursements shall be made by cheque, by wire transfer or by electronic funds transfer except to the extent that cash disbursements are authorized by the Under-Secretary-General for Management.	Some redundant information has been removed in paragraph (b), and paragraph (c) was removed from this rule and added to rule 104.8, as it is not practical to obtain a written receipt for all disbursements.
(b) Disbursements shall be recorded in the accounts as at the date when they are made.	(b) Disbursements shall be recorded in the accounts as at the date when they are made, that is, when the cheque is issued, transfer is affected or cash is paid out.	
	(c) Except where a paid cheque is returned by the bank or a debit advice is received from the bank, a payee's written receipt shall be obtained for all disbursements.	

New financial rule	*Existing financial rule*	*Explanation*
Reconciliation of bank accounts	**Reconciliation of bank accounts**	No change.
Rule 104.11	**Rule 104.11**	No change.
Every month, unless an exception is authorized by the Under-Secretary-General for Management, all financial transactions, including bank charges and commissions, must be reconciled with the information submitted by banks in accordance with rule 104.4. This reconciliation must be performed by an official playing no actual part in the receipt or disbursement of funds; if the staffing of an outposted office makes this impracticable, alternative arrangements may be established in consultation with the Under-Secretary-General for Management.	Every month, unless an exception is authorized by the Under-Secretary-General for Management, all financial transactions, including bank charges and commissions, must be reconciled with the information submitted by banks in accordance with rule 104.4. This reconciliation must be performed by an official playing no actual part in the receipt or disbursement of funds; if the staffing of an outposted office makes this impracticable, alternative arrangements may be established in consultation with the Under-Secretary-General for Management.	No change.
C. Investments	**C. Investments**	No change.
Authority, responsibility and policy	**Authority, responsibility and policy**	No change.
Rule 104.12	**Rule 104.12**	No change.
(*a*) The authority to make and prudently manage investments under regulation 4.16 is delegated to the Under-Secretary-General for Management.	(a) The authority to make and prudently manage investments under regulations 4.16 and 4.17 is delegated to the Under-Secretary-General for Management.	Change in numbering of referenced regulations.
(b) The Under-Secretary-General for Management shall ensure, including by establishing appropriate guidelines, that funds are invested in such a way as to place primary emphasis on minimizing the risk to principal funds while ensuring the liquidity necessary to meet the Organization's cash-flow requirements. In addition to these criteria, investments shall be selected on the basis of achieving the highest reasonable rate of return and shall accord with the principles of the United Nations.	(b) The Under-Secretary-General for Management shall ensure, including by establishing appropriate guidelines, that funds are invested in such a way as to place primary emphasis on minimizing the risk to principal funds while ensuring the liquidity necessary to meet the Organization's cash-flow requirements. In addition to these criteria, investments shall be selected on the basis of achieving the highest reasonable rate of return and shall accord with the principles of the United Nations.	
Rule 104.13	**Rule 104.13**	No change.
Records of all investments shall be maintained showing all the relevant details for each investment, including face value, cost, date of maturity, place of deposit, proceeds of sale and revenue earned.	Investments shall be recorded in an investment ledger, which shall show all the relevant details for each investment, including, for example, face value, cost, date of maturity, place of deposit, proceeds of sale and income earned.	IPSAS revenue.

New financial rule	*Existing financial rule*	*Explanation*
Rule 104.14	**Rule 104.14**	No change.
(a) All investments shall be made through and maintained by recognized financial institutions designated by the Under-Secretary-General for Management.	(a) All investments shall be made through and maintained by recognized financial institutions designated by the Under-Secretary-General for Management.	No change.
(b) All investment transactions, including the withdrawal of invested resources, require the authorization and signature of two officials designated for that purpose by the Under-Secretary-General for Management.	(b) All investment transactions, including the withdrawal of invested resources, require the authorization and signature of two officials designated for that purpose by the Under-Secretary-General for Management.	
Revenue	**Income**	IPSAS revenue.
Rule 104.15	**Rule 104.15**	No change.
(a) Revenue from General Fund investments shall be credited to it as investment revenue.	(a) Income from General Fund investments shall be taken into account as miscellaneous income.	IPSAS revenue; reclassification of miscellaneous income; rule modified to conform with regulation 4.19 relating to the retention of interest.
(b) In conformity with regulation 4.19, revenue from investments pertaining to trust funds, reserves and special accounts shall be credited to the General Fund.	(b) Income from investments pertaining to trust funds and special accounts shall be credited to the trust fund or special account concerned.	
Losses	**Losses**	No change.
Rule 104.16	**Rule 104.16**	No change.
(a) Any investment losses must be accounted for and reported in accordance with policies established by the Under-Secretary-General for Management and International Public Sector Accounting Standards.	(a) Any investment losses must be reported at once to the Under-Secretary-General for Management. The Under-Secretary-General for Management may authorize the writing-off of investment losses. A summary statement of investment losses, if any, shall be provided to the Board of Auditors within three months following the end of the financial period.	Investment losses will be accounted for in accordance with IPSAS, and since this will be a part of the financial statements, there is no need to separately mention that they will be submitted to the Board of Auditors.
(b) Investment losses shall be borne by the fund, trust fund, reserve or special account from which the principal amounts were obtained.	(b) Investment losses shall be borne by the fund, trust fund, reserve or special account from which the principal amounts were obtained.	

New financial rule	*Existing financial rule*	*Explanation*
Article V. Utilization of funds	**Article V. Utilization of funds**	No change.
A. Appropriations	**A. Appropriations**	No change.
Transfer between appropriations	**Transfer between appropriations**	No change.
Rule 105.1	**Rule 105.1**	No change.
The Under-Secretary-General for Management shall obtain the approval of the Advisory Committee in order to transfer credits between programme budget appropriations in those instances where the General Assembly has delegated its authority under regulation 5.6 to the Committee.	The Under-Secretary-General for Management shall obtain the approval of the Advisory Committee in order to transfer credits between programme budget appropriations in those instances where the General Assembly has delegated its authority under regulation 5.6 to the Committee.	No change.
Commitments against appropriations for the future budget periods	**Commitments against appropriations for future financial periods**	"Financial period" has been replaced with "budget period".
Rule 105.2	**Rule 105.2**	No change.
In accordance with regulation 5.7, the authority to approve commitments against the future budget periods is delegated to the Under-Secretary-General for Management. The Under-Secretary-General for Management shall disclose the commitments against future budget periods in a note to the financial statements in accordance with International Public Sector Accounting Standards. Such commitments shall constitute the first charges against relevant appropriations once they are approved by the General Assembly.	In accordance with regulation 5.7, the authority to approve commitments against future financial periods is delegated to the Under-Secretary-General for Management. The Under-Secretary-General for Management shall maintain a record in the accounts of all such commitments (rule 106.7), which shall constitute the first charges against relevant appropriations once they are approved by the General Assembly.	Future year commitments will no longer be recorded in the accounts. They will be disclosed in a note to the financial statements.
B. Commitments and expenses	**B. Commitments, obligations and expenditures**	IPSAS commitment; IPSAS expense.
Authority and responsibility	**Authority and responsibility**	No change.
Rule 105.3	**Rule 105.3**	No change.
The utilization of all funds requires the prior authorization of the Under-Secretary-General for Management. Such authorization may take the form of:	The utilization of all funds requires the prior authorization of the Under-Secretary-General for Management. Such authorization may take the form of:	IPSAS commitment.
(a) An allotment of funds or other authorization to incur commitments and expend specified funds for specified purposes during a specified period;	(a) An allotment of funds or other authorization to commit, obligate and expend specified funds for specified purposes during a specified period;	
(b) An authorization to employ staff against an approved staffing table.	(b) An authorization to employ staff against an approved staffing table.	

New financial rule	*Existing financial rule*	*Explanation*
Checks and balances	**Checks and balances**	No change.
Rule 105.4	**Rule 105.4**	No change.
Notwithstanding bank signatory functions assigned in accordance with rule 104.5, all commitments, disbursements and expenses require at least two authorizing signatures, in either conventional or electronic form. All commitments, disbursements and expenses must first be signed ("certified") by a duly designated certifying officer (rule 105.5). Following certification, duly designated approving officers (rule 105.6) must then sign to "approve" the establishment of commitments, expenses and disbursements. Expenses recorded against an established, certified commitment do not require additional certification, provided that they do not exceed the amount committed by more than 10 per cent or $4,000 (or its equivalent in other currencies), whichever is lower (rule 105.7). Expenses under $4,000 (or its equivalent in other currencies) for which the recording of a commitment is unnecessary require both certification and approval.	Notwithstanding bank signatory functions assigned in accordance with rule 104.5, all commitments, obligations and expenditures require at least two authorizing signatures, in either conventional or electronic form. All commitments, obligations and expenditures must first be signed ("certified") by a duly designated certifying officer (rule 105.5). Following certification, duly designated approving officers (rule 105.6) must then sign to "approve" the establishment of obligations and the recording of expenditures in the accounts and the processing of payments. Expenditures recorded against an established, certified obligation do not require additional certification, provided that they do not exceed the amount obligated by more than 10 per cent or $4,000 (or its equivalent in other currencies), whichever is lower (rule 105.7). Expenditures under $4,000 (or its equivalent in other currencies) for which the recording of an obligation is unnecessary require both certification and approval.	IPSAS expense; IPSAS commitment.
Certifying officers	**Certifying officers**	No change.
Rule 105.5	**Rule 105.5**	No change.
(a) One or more officials shall be designated by the Under-Secretary-General for Management as the certifying officer(s) for the account(s) pertaining to a section or subsection of an approved budget. Certifying authority and responsibility is assigned on a personal basis and cannot be delegated. A certifying officer cannot exercise the approving functions assigned in accordance with rule 105.6.	(a) One or more officials shall be designated by the Under-Secretary-General for Management as the certifying officer(s) for the account(s) pertaining to a section or subsection of an approved budget. Certifying authority and responsibility is assigned on a personal basis and cannot be delegated. A certifying officer cannot exercise the approving functions assigned in accordance with rule 105.6.	IPSAS expense; IPSAS commitment.
(b) Certifying officers are responsible for managing the utilization of resources, including posts, in accordance with the purposes for which those resources were approved, the principles of efficiency and effectiveness, and the Financial Regulations and Rules of the United Nations. Certifying officers must maintain detailed records of all commitments, disbursements and expenses against the accounts for which they have been delegated responsibility. They must be	(b) Certifying officers are responsible for managing the utilization of resources, including posts, in accordance with the purposes for which those resources were approved, the principles of efficiency and effectiveness and the Financial Regulations and Rules of the United Nations. Certifying officers must maintain detailed records of all obligations and expenditures against the accounts for which they have been delegated	

New financial rule	*Existing financial rule*	*Explanation*
prepared to submit any supporting documents, explanations and justifications requested by the Under-Secretary-General for Management.	responsibility. They must be prepared to submit any supporting documents, explanations and justifications requested by the Under-Secretary-General for Management.	
Approving officers	**Approving officers**	No change.
Rule 105.6	**Rule 105.6**	No change.
(a) Approving officers are designated by the Under-Secretary-General for Management to approve the entry into the accounts of commitments, disbursements and expenses relating to contracts, agreements, purchase orders and other forms of undertaking after verifying that they are in order and have been certified by a duly designated certifying officer. Approving officers are also responsible for approving the making of payments once they have ensured that they are properly due, confirming that the necessary goods and services have been received in accordance with the contract, agreement, purchase order or other form of undertaking by which they were ordered and, if the cost exceeds $4,000 (or its equivalent in other currencies), in accordance with the purpose for which the relevant commitment was established. Approving officers must maintain detailed records and must be prepared to submit any supporting documents, explanations and justifications requested by the Under-Secretary-General for Management.	(a) Approving officers are designated by the Under-Secretary-General for Management to approve the entry into the accounts of obligations and expenditures relating to contracts, agreements, purchase orders and other forms of undertaking after verifying that they are in order and have been certified by a duly designated certifying officer. Approving officers are also responsible for approving the making of payments once they have ensured that they are properly due, confirming that the necessary services, supplies or equipment have been received in accordance with the contract, agreement, purchase order or other form of undertaking by which they were ordered and, if the cost exceeds $4,000 (or its equivalent in other currencies), in accordance with the purpose for which the relevant financial obligation was established. Approving officers must maintain detailed records and must be prepared to submit any supporting documents, explanations and justifications requested by the Under-Secretary-General for Management.	IPSAS expense; IPSAS commitment; "services, supplies or equipment" has been replaced with "goods or services".
(b) Approving authority and responsibility is assigned on a personal basis and cannot be delegated. An approving officer cannot exercise the certifying functions assigned in accordance with rule 105.5 or the bank signatory functions assigned in accordance with rule 104.5.	(b) Approving authority and responsibility is assigned on a personal basis and cannot be delegated. An approving officer cannot exercise the certifying functions assigned in accordance with rule 105.5 or the bank signatory functions assigned in accordance with rule 104.5.	
Establishment and revision of commitments	**Establishment and revision of obligations**	IPSAS commitment.
Rule 105.7	**Rule 105.7**	No change.
(a) Apart from the employment of staff against an authorized staffing table and consequential commitments under the Staff Regulations and Rules of the United Nations and allocations made to executing agencies, no undertaking, including by contract, agreement or purchase order, for an amount exceeding $4,000 (or its equivalent in	(a) Apart from the employment of staff against an authorized staffing table and consequential commitments under the Staff Regulations and Rules and allocations made to executing agencies, no undertaking, including by contract, agreement or purchase order, for an amount exceeding $4,000 (or its equivalent in other currencies)	Editorial change; IPSAS expense; IPSAS commitment.

New financial rule	*Existing financial rule*	*Explanation*
other currencies) shall be entered into until the appropriate credit(s) has (have) been reserved in the accounts by the certifying officer. This shall be done through the recording of commitments against which relevant payments or disbursements may be made. A commitment shall remain open until such point as it is liquidated, cancelled or recommitted in accordance with regulations 5.4 and 5.5, as appropriate.	shall be entered into until the appropriate credit(s) has (have) been reserved in the accounts. This shall be done through the recording of obligations against which relevant payments or disbursements, made only on fulfilment of contractual and other obligations, shall be recorded as expenditure. An obligation shall be recorded in the accounts as unliquidated during the period set forth in regulation 5.3 and until such point as it is reobligated, liquidated or cancelled in accordance with regulations 5.4 and 5.5, as appropriate.	
(b) If, in the time that elapses between the establishment of a commitment and the processing of final payment, the cost of the relevant goods or services has, for whatever reason, increased by less than $4,000 (or its equivalent in other currencies) or 10 per cent of the commitment, whichever is lower, no change need be made to the amount of the original commitment. If, however, the increase in costs exceeds $4,000 (or its equivalent in other currencies), the original commitment must be revised to reflect this increase in requirements and further certification by the certifying officer is required. All increases in commitments, including those resulting from currency fluctuations, shall be subject to the same procedures as apply to the incurring of original commitments.	(b) If, in the time that elapses between the establishment of an obligation and the processing of final payment, the cost of the relevant goods or services has, for whatever reason, increased by less than $4,000 (or its equivalent in other currencies) or 10 per cent of the obligation, whichever is lower, no change need be made to the amount of the original obligation. If, however, the increase in costs exceeds $4,000 (or its equivalent in other currencies), the original obligation must be revised to reflect this increase in requirements and further certification is required. All increases in obligations, including those resulting from currency fluctuations, shall be subject to the same procedures as apply to the incurring of original obligations.	
Review, recommitment and cancellation of commitments	**Review, reobligation and cancellation of obligations**	IPSAS commitment.
Rule 105.8	**Rule 105.8**	No change.
(a) Outstanding commitments must be reviewed periodically by the responsible certifying officer(s). If a commitment is determined to be valid but cannot be liquidated during the period set forth in regulation 5.3, the provisions of regulations 5.4 and 5.5 shall, as appropriate, be applied. Commitments that are no longer valid shall be cancelled from the accounts forthwith and the resulting credit surrendered.	(a) Outstanding obligations must be reviewed periodically by the responsible certifying officer(s). If an obligation is determined to be valid but cannot be liquidated during the period set forth in regulation 5.3, the provisions of regulations 5.4 and 5.5 shall, as appropriate, be applied. Obligations that are no longer valid shall be cancelled from the accounts forthwith and the resulting credit surrendered.	IPSAS commitment.
(b) When any commitment previously recorded in the accounts is for any reason reduced (other than by payment) or cancelled, the certifying officer shall accordingly ensure that appropriate adjustments are recorded in the accounts.	(b) When any obligation previously recorded in the accounts is for any reason reduced (other than by payment) or cancelled, the certifying officer shall accordingly ensure that appropriate adjustments are recorded in the accounts.	

New financial rule	*Existing financial rule*	*Explanation*
Commitment documents	**Obligating documents**	IPSAS commitment.
Rule 105.9	**Rule 105.9**	No change.
A commitment must be based on a formal contract, agreement, purchase order or other form of undertaking, or on a liability recognized by the United Nations. All commitments must be supported by an appropriate commitment document.	An obligation must be based on a formal contract, agreement, purchase order or other form of undertaking, or on a liability recognized by the United Nations. All obligations must be supported by an appropriate obligating document.	IPSAS commitment.
Peacekeeping reimbursements	**Peacekeeping reimbursements**	No change.
Rule 105.10	**Rule 105.10**	No change.
The payment of reimbursements to Member States, based upon rates and peacekeeping operation budgets approved by the General Assembly, may be made only with the approval of the Under-Secretary-General for Management.	The payment of reimbursements to Member States, based upon rates and peacekeeping operation budgets approved by the General Assembly, may be made only with the approval of the Under-Secretary-General for Management.	No change.
Management service agreements	**Management service agreements**	No change.
Rule 105.11	**Rule 105.11**	No change.
(a) Management and other support services may be provided to Governments, specialized agencies and other international and intergovernmental organizations or in support of activities financed from trust funds or special accounts on a reimbursable, reciprocal or other basis consistent with the policies, aims and activities of the United Nations as approved by the Under-Secretary-General for Management.	(a) Management and other support services may be provided to Governments, specialized agencies and other international and intergovernmental organizations or in support of activities financed from trust funds or special accounts on a reimbursable, reciprocal or other basis consistent with the policies, aims and activities of the United Nations as approved by the Under-Secretary-General for Management.	No change.
(b) Each management and support services arrangement shall be covered by a written agreement between the United Nations and the entity on whose behalf the services are to be provided. Such agreements shall, inter alia, specify the services which the United Nations is to provide in return for full reimbursement to the United Nations of any costs incurred by it in providing these services.	(b) Each management and support services arrangement shall be covered by a written agreement between the United Nations and the entity on whose behalf the services are to be provided. Such agreements shall, inter alia, specify the services which the United Nations is to provide in return for full reimbursement to the United Nations of any costs incurred by it in providing these services.	

New financial rule	*Existing financial rule*	*Explanation*
Ex gratia payments	**Ex gratia payments**	No change.
Rule 105.12	**Rule 105.12**	No change.
Ex gratia payments may be made in cases where, although in the opinion of the Legal Counsel there is no clear legal liability on the part of the United Nations, payment is in the interest of the Organization. A summary statement of all ex gratia payments shall be provided to the Board of Auditors not later than three months following the end of the financial period. The approval of the Under-Secretary-General for Management is required for all ex gratia payments.	Ex gratia payments may be made in cases where, although in the opinion of the Legal Counsel there is no clear legal liability on the part of the United Nations, payment is in the interest of the Organization. A summary statement of all ex gratia payments shall be provided to the Board of Auditors not later than three months following the end of the financial period. The approval of the Under-Secretary-General for Management is required for all ex gratia payments.	No change.
C. Procurement	**C. Procurement**	No change.
Authority and responsibility	**Authority and responsibility**	No change.
Rule 105.13	**Rule 105.13**	No change.
(a) The Under-Secretary-General for Management is responsible for the procurement functions of the United Nations, shall establish all United Nations procurement systems and shall designate the officials responsible for performing procurement functions.	(a) The Under-Secretary-General for Management is responsible for the procurement functions of the United Nations, shall establish all United Nations procurement systems and shall designate the officials responsible for performing procurement functions.	No change.
(b) The Under-Secretary-General for Management shall establish review committees, at Headquarters and other locations, to render written advice to the Under-Secretary-General for Management on procurement actions leading to the award or amendment of procurement contracts, which, for purposes of these Regulations and Rules, includes agreements or other written instruments such as purchase orders and contracts that involve income to the United Nations. The Under-Secretary-General for Management shall establish the composition and the terms of reference of such committees, which shall include the types and monetary values of proposed procurement actions subject to review.	(b) The Under-Secretary-General for Management shall establish review committees, at Headquarters and other locations, to render written advice to the Under-Secretary-General for Management on procurement actions leading to the award or amendment of procurement contracts, which, for purposes of these Regulations and Rules, includes agreements or other written instruments such as purchase orders and contracts that involve income to the United Nations. The Under-Secretary-General for Management shall establish the composition and the terms of reference of such committees, which shall include the types and monetary values of proposed procurement actions subject to review.	

New financial rule	*Existing financial rule*	*Explanation*
(c) Where the advice of a review committee is required, no final action leading to the award or amendment of a procurement contract may be taken before such advice is received. In cases where the Under-Secretary-General for Management decides not to accept the advice of such a review committee, he or she shall record in writing the reasons for that decision.	(c) Where the advice of a review committee is required, no final action leading to the award or amendment of a procurement contract may be taken before such advice is received. In cases where the Under-Secretary-General for Management decides not to accept the advice of such a review committee, he or she shall record in writing the reasons for that decision.	
Competition	**Competition**	No change.
Rule 105.14	**Rule 105.14**	No change.
Consistent with the principles set out in regulation 5.12 and except as otherwise provided in rule 105.16, procurement contracts shall be awarded on the basis of effective competition, and to this end the competitive process shall, as necessary, include:	Consistent with the principles set out in regulation 5.12 and except as otherwise provided in rule 105.16, procurement contracts shall be awarded on the basis of effective competition, and to this end the competitive process shall, as necessary, include:	New language added to introduce electronic bidding.
(a) Acquisition planning for developing an overall procurement strategy and procurement methodologies;	(a) Acquisition planning for developing an overall procurement strategy and procurement methodologies;	
(b) Market research for identifying potential suppliers;	(b) Market research for identifying potential suppliers;	
(c) Consideration of prudent commercial practices;	(c) Consideration of prudent commercial practices;	
(d) Formal methods of solicitation, utilizing invitations to bid or requests for proposals on the basis of advertisement or direct solicitation of invited suppliers, or informal methods of solicitation, such as requests for quotations. The Under-Secretary-General for Management shall issue administrative instructions concerning the types of procurement activities and monetary values for which such methods of solicitation are to be used. Such formal and informal methods of solicitation may be conducted by means of electronic data interchange, provided the Under-Secretary-General for Management has ensured that the electronic data interchange system is capable of ensuring authentication and confidentiality of the information transmitted;	(d) Formal methods of solicitation, utilizing invitations to bid or requests for proposals on the basis of advertisement or direct solicitation of invited suppliers, or informal methods of solicitation, such as requests for quotations. The Under-Secretary-General for Management shall issue administrative instructions concerning the types of procurement activities and monetary values for which such methods of solicitation are to be used;	
(e) Public bid openings; for purposes of bidding by means of electronic data interchange, the virtual opening of bids is considered public.	(e) Public bid openings.	

New financial rule	*Existing financial rule*	*Explanation*
Formal methods of solicitation	**Formal methods of solicitation**	No change.
Rule 105.15	**Rule 105.15**	No change.
(a) When a formal invitation to bid has been issued, the procurement contract shall be awarded to the qualified bidder whose bid substantially conforms to the requirements set forth in the solicitation documents and is evaluated to be the one with the lowest cost to the United Nations.	(a) When a formal invitation to bid has been issued, the procurement contract shall be awarded to the qualified bidder whose bid substantially conforms to the requirements set forth in the solicitation documents and is evaluated to be the one with the lowest cost to the United Nations.	No change.
(b) When a formal request for proposals has been issued, the procurement contract shall be awarded to the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the solicitation documents.	(b) When a formal request for proposals has been issued, the procurement contract shall be awarded to the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the solicitation documents.	
(c) The Under-Secretary-General for Management may, in the interest of the United Nations, reject bids or proposals for a particular procurement action, recording the reasons for rejection in writing. The Under-Secretary-General for Management shall then determine whether to undertake a new solicitation, to directly negotiate a procurement contract pursuant to rule 105.16 or to terminate or suspend the procurement action.	(c) The Under-Secretary-General for Management may, in the interest of the United Nations, reject bids or proposals for a particular procurement action, recording the reasons for rejection in writing. The Under-Secretary-General for Management shall then determine whether to undertake a new solicitation, to directly negotiate a procurement contract pursuant to rule 105.16 or to terminate or suspend the procurement action.	
Exceptions to the use of formal methods of solicitation	**Exceptions to the use of formal methods of solicitation**	No change.
Rule 105.16	**Rule 105.16**	No change.
(a) The Under-Secretary-General for Management may determine for a particular procurement action that using formal methods of solicitation is not in the best interest of the United Nations:	(a) The Under-Secretary-General for Management may determine for a particular procurement action that using formal methods of solicitation is not in the best interest of the United Nations:	No change.
(i) When there is no competitive marketplace for the requirement, such as where a monopoly exists, where prices are fixed by legislation or government regulation or where the requirement involves a proprietary product or service;	(i) When there is no competitive marketplace for the requirement, such as where a monopoly exists, where prices are fixed by legislation or government regulation or where the requirement involves a proprietary product or service;	
(ii) When there has been a previous determination or there is a need to standardize the requirement;	(ii) When there has been a previous determination or there is a need to standardize the requirement;	
(iii) When the proposed procurement contract is the result of cooperation with other organizations of the United Nations system, pursuant to rule 105.17;	(iii) When the proposed procurement contract is the result of cooperation with other organizations of the United Nations system, pursuant to rule 105.17;	

New financial rule	*Existing financial rule*	*Explanation*
(iv) When offers for identical products and services have been obtained competitively within a reasonable period and the prices and conditions offered remain competitive;	(iv) When offers for identical products and services have been obtained competitively within a reasonable period and the prices and conditions offered remain competitive;	
(v) When, within a reasonable prior period, a formal solicitation has not produced satisfactory results;	(v) When, within a reasonable prior period, a formal solicitation has not produced satisfactory results;	
(vi) When the proposed procurement contract is for the purchase or lease of real property and market conditions do not allow for effective competition;	(vi) When the proposed procurement contract is for the purchase or lease of real property and market conditions do not allow for effective competition;	
(vii) When there is an exigency for the requirement;	(vii) When there is an exigency for the requirement;	
(viii) When the proposed procurement contract relates to obtaining services that cannot be evaluated objectively;	(viii) When the proposed procurement contract relates to obtaining services that cannot be evaluated objectively;	
(ix) When the Under-Secretary-General for Management otherwise determines that a formal solicitation will not give satisfactory results;	(ix) When the Under-Secretary-General for Management otherwise determines that a formal solicitation will not give satisfactory results;	
(x) When the value of the procurement is below the monetary threshold established for formal methods of solicitation.	(x) When the value of the procurement is below the monetary threshold established for formal methods of solicitation.	
(b) When a determination is made pursuant to subparagraph (a) above, the Under-Secretary-General for Management shall record the reasons in writing and may then award a procurement contract, either on the basis of an informal method of solicitation or on the basis of a directly negotiated contract, to a qualified vendor whose offer substantially conforms to the requirement at an acceptable price.	(b) When a determination is made pursuant to subparagraph (a) above, the Under-Secretary-General for Management shall record the reasons in writing and may then award a procurement contract, either on the basis of an informal method of solicitation or on the basis of a directly negotiated contract, to a qualified vendor whose offer substantially conforms to the requirement at an acceptable price.	
Cooperation	**Cooperation**	No change.
Rule 105.17	**Rule 105.17**	No change.
(a) The Under-Secretary-General for Management may cooperate with other organizations of the United Nations system to meet the procurement requirements of the United Nations, provided that the regulations and rules of those organizations are consistent with those of the United Nations. The Under-Secretary-General for Management may, as appropriate, enter into agreements for such	(a) The Under-Secretary-General for Management may cooperate with other organizations of the United Nations system to meet the procurement requirements of the United Nations, provided that the regulations and rules of those organizations are consistent with those of the United Nations. The Under-Secretary-General for Management may, as appropriate, enter into agreements	No change.

New financial rule	*Existing financial rule*	*Explanation*
purposes. Such cooperation may include carrying out common procurement actions together or the United Nations entering into a contract relying on a procurement decision of another United Nations organization or requesting another United Nations organization to carry out procurement activities on behalf of the United Nations.	for such purposes. Such cooperation may include carrying out common procurement actions together or the United Nations entering into a contract relying on a procurement decision of another United Nations organization or requesting another United Nations organization to carry out procurement activities on behalf of the United Nations.	
(b) The Under-Secretary-General for Management may, to the extent authorized by the General Assembly, cooperate with a Government, non-governmental organization, or other public international organization, in respect of procurement activities, and, as appropriate, enter into agreements for such purposes.	(b) The Under-Secretary-General for Management may, to the extent authorized by the General Assembly, cooperate with a Government, non-governmental organization, or other public international organization, in respect of procurement activities, and, as appropriate, enter into agreements for such purposes.	
Written contracts	**Written contracts**	No change.
Rule 105.18	**Rule 105.18**	No change.
(a) Written procurement contracts shall be used to formalize every procurement with a monetary value exceeding specific thresholds established by the Under-Secretary-General for Management. Such arrangements shall, as appropriate, specify in detail:	(a) Written procurement contracts shall be used to formalize every procurement with a monetary value exceeding specific thresholds established by the Under-Secretary-General for Management. Such arrangements shall, as appropriate, specify in detail:	Editorial change.
(i) The nature of the products or services being procured;	(i) The nature of the products or services being procured;	
(ii) The quantity being procured;	(ii) The quantity being procured;	
(iii) The contract or unit price;	(iii) The contract or unit price;	
(iv) The period covered;	(iv) The period covered;	
(v) Conditions to be fulfilled, including the United Nations general conditions of contract and implications for non-delivery;	(v) Conditions to be fulfilled, including the United Nations general conditions of contract and implications for non-delivery;	
(vi) Terms of delivery and payment;	(vi) Terms of delivery and payment;	
(vii) Name and address of supplier.	(vii) Name and address of supplier.	
(b) The requirement for written procurement contracts shall not be interpreted to restrict the use of any electronic means of data interchange. Before any electronic means of data interchange is used, the Under-Secretary-General for Management shall ensure that the electronic data interchange system is capable of ensuring authentication and confidentiality of the information transmitted.	(b) The requirement for written procurement contracts shall not be interpreted to restrict the use of any electronic means of data interchange. Before any electronic means of data interchange is used, the Under-Secretary-General for Management shall ensure that the electronic data interchange system is capable of ensuring authentication and confidentiality of the information.	

New financial rule	*Existing financial rule*	*Explanation*
Advance and progress payments	**Advance and progress payments**	No change.
Rule 105.19	**Rule 105.19**	No change.
(a) Except where normal commercial practice or the interests of the United Nations so require, no contract or other form of undertaking shall be made on behalf of the United Nations which requires a payment or payments on account in advance of the delivery of products or the performance of contractual services. Whenever an advance payment is agreed to, the reasons therefor shall be recorded.	(a) Except where normal commercial practice or the interests of the United Nations so require, no contract or other form of undertaking shall be made on behalf of the United Nations which requires a payment or payments on account in advance of the delivery of products or the performance of contractual services. Whenever an advance payment is agreed to, the reasons therefor shall be recorded.	No change.
(b) In addition to subparagraph (a) above, and notwithstanding rule 105.2, the Under-Secretary-General for Management may, where necessary, authorize progress payments.	(b) In addition to subparagraph (a) above, and notwithstanding rule 105.2, the Under-Secretary-General for Management may, where necessary, authorize progress payments.	
D. Property management	**D. Property management**	No change.
Authority and responsibility	**Authority and responsibility**	No change.
Rule 105.20	**Rule 105.20**	No change.
The Under-Secretary-General for Management is responsible for the management of the property, plant and equipment, inventories and intangible assets of the United Nations, including all systems governing their receipt, valuation, recording, utilization, safekeeping, maintenance, transfer and disposal, including by sale, and shall designate the officials responsible for performing property management functions.	(a) The Under-Secretary-General for Management is responsible for the management of the property of the United Nations, including all systems governing its receipt, recording, utilization, safekeeping, maintenance and disposal, including by sale, and shall designate the officials responsible for performing property management functions. (b) A summary statement of non-expendable United Nations property shall be provided to the Board of Auditors not later than three months following the end of the financial period.	IPSAS property, plant and equipment, inventories and intangible assets; paragraph (b) was removed, as property, plant and equipment are required to be part of the financial statements.
Rule 105.21		
Physical verification shall be taken and records maintained of property, plant and equipment, inventories and intangible assets of the Organization, in accordance with policies established by the Under-Secretary-General for Management.		New rule for physical verification.

New financial rule	*Existing financial rule*	*Explanation*
Review bodies related to Property Management	**Property Survey Boards**	Change in name from "Property Survey Boards" to "Review bodies related to property management".
Rule 105.22	**Rule 105.21**	Change in numbering.
(a) The Under-Secretary-General for Management shall establish review bodies for Headquarters and other locations to render written advice in respect of loss, damage, impairment or other discrepancy regarding property, plant and equipment, inventories and intangible assets of the United Nations. The Under-Secretary-General for Management shall establish the composition and terms of reference of such review bodies, which shall include procedures for determining the cause of such loss, damage, impairment or other discrepancy, the disposal action in accordance with rules 105.23 and 105.24 and the degree of responsibility, if any, attaching to any official of the United Nations or other party for such loss, damage or other discrepancy.	(a) The Under-Secretary-General for Management shall establish Property Survey Boards for Headquarters and other locations to render written advice to him or her in respect of loss, damage or other discrepancy regarding the property of the United Nations. The Under-Secretary-General for Management shall establish the composition and terms of reference of such boards, which shall include procedures for determining the cause of such loss, damage or other discrepancy, the disposal action in accordance with rules 105.22 and 105.23 and the degree of responsibility, if any, attaching to any official of the United Nations or other party for such loss, damage or other discrepancy.	IPSAS property, plant and equipment, inventories and intangible assets. The term "impairment" has also been included in this rule; Under IPSAS, there are a number of requirements for the review of property, plant and equipment, inventories and intangible assets; therefore "Property Survey Board" was replaced with the generic term "review body" for instances where some of the new functions might not be provided by the Property Survey Board.
(b) Where the advice of a review body is required, no final action in respect of United Nations property loss, damage, impairment or other discrepancy may be taken before such advice is received. In cases where the Under-Secretary-General for Management decides not to accept the advice of such a body, he or she shall record in writing the reasons for that decision.	(b) Where the advice of a Property Survey Board is required, no final action in respect of United Nations property loss, damage or other discrepancy may be taken before such advice is received. In cases where the Under-Secretary-General for Management decides not to accept the advice of such a Board, he or she shall record in writing the reasons for that decision.	
Sale/disposal of property	**Sale/disposal of property**	No change.
Rule 105.23	**Rule 105.22**	Change in numbering.
Property, plant and equipment, inventories and intangible assets of the United Nations that are declared surplus, unserviceable or obsolete following a recommendation by a review body shall be disposed of, transferred or sold after competitive bidding, unless the review body:	Sales of supplies, equipment or other property declared surplus or unserviceable shall be based on competitive bidding, unless the relevant Property Survey Board:	IPSAS property, plant and equipment, inventories and intangible assets.
(a) Estimates that the sales value is less than an amount to be specified by the Under-Secretary-General for Management;	(a) Estimates that the sales value is less than an amount to be specified by the Under-Secretary-General for Management;	
(b) Considers that the exchange of property in partial or full payment for replacement equipment or supplies is in the best interest of the Organization;	(b) Considers that the exchange of property in partial or full payment for replacement equipment or supplies is in the best interest of the Organization;	

New financial rule	*Existing financial rule*	*Explanation*
(c) Deems it appropriate to transfer surplus property from one project or operation for use in another and determines the fair market value at which the transfer(s) shall be effected;	(c) Deems it appropriate to transfer surplus property from one project or operation for use in another and determines the fair market value at which the transfer(s) shall be effected;	
(d) Determines that the destruction of the surplus or unserviceable material will be more economical or is required by law or by the nature of the property;	(d) Determines that the destruction of the surplus or unserviceable material will be more economical or is required by law or by the nature of the property;	
(e) Determines that the interests of the United Nations will be served by disposal by gift or by sale at a nominal price to an intergovernmental organization, a Government or governmental agency or some other non-profit organization.	(e) Determines that the interests of the United Nations will be served by disposal by gift or by sale at a nominal price to an intergovernmental organization, a Government or governmental agency or some other non-profit organization.	
Rule 105.24	**Rule 105.23**	Change in numbering.
Except as provided for in rule 105.23, sales of property, plant and equipment, inventories and intangible assets shall be on commercial terms.	Except as provided for in rule 105.22, property shall be sold on the basis of payments made on or before delivery.	IPSAS property, plant and equipment, inventories and intangible assets.
Article VI. Accounting	**Article VI. Accounting**	No change.
	Principal accounts	
	Rule 106.1	
	In accordance with regulations 6.1 and 6.2, the principal accounts of the United Nations shall include detailed, comprehensive and up-to-date records of assets and liabilities for all sources of funds. The principal accounts shall consist of:	This rule was deleted as the regulation on principal accounts was also deleted and replaced with new regulation 6.1 on IPSAS financial statements.
	(a) Programme budget accounts showing:	
	(i) Original appropriations;	
	(ii) Appropriations as modified by transfers;	
	(iii) Credits (other than appropriations made available by the General Assembly);	
	(iv) Expenditures, including payments and other disbursements and unliquidated obligations;	
	(v) Unencumbered balances of allotments and appropriations;	

New financial rule	*Existing financial rule*	*Explanation*
	(b) Peacekeeping operations with special accounts;	
	(c) General ledger accounts showing all cash at banks, investments, receivables and other assets, payables and other liabilities;	
	(d) The Working Capital Fund and its subfunds and all trust funds or other special accounts.	
Financial statements	**Financial statements**	No change.
Rule 106.1	**Rule 106.10**	Change in numbering.
(a) For all accounts of the United Nations, except for peacekeeping operations with special accounts, the annual financial statements for the financial period, as at 31 December, shall be submitted to the Board of Auditors not later than 31 March of the following year. Copies of financial statements shall also be transmitted to the Advisory Committee.	(a) For all accounts of the United Nations, except for peacekeeping operations with special accounts, interim financial statements covering the first year of the biennial financial period, as at 31 December, shall be submitted to the Board of Auditors not later than 31 March of the following year. For these same accounts, final financial statements covering both years of the financial period, likewise as at 31 December, shall be submitted to the Board of Auditors not later than 31 March following the end of the financial period. Copies of financial statements shall also be transmitted to the Advisory Committee. Additional financial statements may be prepared as and when the Under-Secretary-General for Management deems necessary.	IPSAS financial statements; "biennial" was replaced with "annual".
(b) In the case of peacekeeping operations with special accounts, the annual financial statements for the period ending 30 June shall be submitted to the Board of Auditors not later than 30 September of the same year.	(b) In the case of peacekeeping operations with special accounts, financial statements for the annual financial period ending 30 June shall be submitted to the Board of Auditors not later than 30 September of the same year.	
(c) In accordance with International Public Sector Accounting Standards, financial statements submitted to the Board of Auditors for all accounts shall include:	(c) Financial statements submitted to the Board of Auditors for all accounts shall include:	
(i) A statement of financial performance;	(i) A statement of income, expenditures and changes in reserves and fund balances;	
(ii) A statement of financial position;	(ii) A statement of assets, liabilities, reserves and fund balances;	
(iii) A statement of changes in net assets/equity;	(iii) A statement of cash flows;	
(iv) A statement of cash flows;	(iv) Such other schedules as may be required;	
(v) A statement of comparison of budget and actual amounts, on the basis of the budget; and	(v) Notes to the financial statements.	
(vi) Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory notes.		

New financial rule	*Existing financial rule*	*Explanation*
Authority and responsibility	**Authority and responsibility**	No change.
Rule 106.2	**Rule 106.2**	No change.
Responsibility for the accounts is assigned to the Under-Secretary-General for Management, who shall establish accounting systems.	Responsibility for the accounts is assigned to the Under-Secretary-General for Management, who shall establish all United Nations accounting systems and designate the officials responsible for performing accounting functions.	This rule was modified, as accounting officials are not currently designated.
Accrual basis accounting	**Accrual basis accounting**	No change.
Rule 106.3	**Rule 106.3**	No change.
Unless otherwise directed by the particular terms governing the operation of a trust fund, reserve or special account, all financial transactions shall be recorded in the accounts on an accrual basis in compliance with the International Public Sector Accounting Standards.	Unless otherwise directed by the Under-Secretary-General for Management, or by the particular terms governing the operation of a trust fund or special account, all financial transactions shall be recorded in the accounts on an accrual basis in compliance with the United Nations system accounting standards.	Change from UNSAS to IPSAS.
Currency of accounting records	**Currency of accounting records**	No change.
Rule 106.4	**Rule 106.4**	No change.
At Headquarters, the accounts shall be maintained in United States dollars. At offices away from Headquarters, accounts may be maintained in the currency of the country in which they are situated, provided that all amounts are recorded both in local currency and the United States dollar equivalent.	At Headquarters, accounts shall be maintained in United States dollars. At offices away from Headquarters, accounts may be maintained in the currency of the country in which they are situated, provided that all amounts are recorded both in local currency and the United States dollar equivalent.	Editorial change.
Accounting for exchange rate fluctuations	**Accounting for exchange rate fluctuations**	No change.
Rule 106.5	**Rule 106.5**	No change.
(a) The Under-Secretary-General for Management shall establish the operational rates of exchange between the United States dollar and other currencies. The operational rates of exchange shall be used for the recording of all United Nations transactions.	(a) The Under-Secretary-General for Management shall establish the operational rates of exchange between the United States dollar and other currencies. The operational rates of exchange shall be used for the recording of all United Nations transactions.	"Time of payment" was replaced with "transaction date" as IPSAS requires the use of the rate on the date of the transaction.
(b) Receipts and payments in currencies other than the United States dollar shall be recorded on the basis of the operational rate of exchange prevailing on the transaction date. Any difference between the actual amount on exchange and the amount that would have been obtained at the operational rate of exchange shall be accounted for as loss or gain on exchange.	(b) Payments in currencies other than the United States dollar will be determined on the basis of the operational rate of exchange prevailing at the time of payment. Any difference between the actual amount received on exchange and the amount that would have been obtained at the operational rate of exchange shall be accounted for as loss or gain on exchange.	

New financial rule	*Existing financial rule*	*Explanation*
(c) When closing the final accounts for a financial period, any negative balance on the account for "loss or gain on exchange" shall be debited to other expenses, while any positive balance on the account for "loss or gain on exchange" shall be credited to other/miscellaneous revenue.	(c) When closing the final accounts for a financial period, any negative balance on the account for "loss or gain on exchange" shall be debited to the relevant budget account, while any positive balance shall be credited to miscellaneous income.	
Accounting for proceeds from the sale of property, plant and equipment, inventories and intangible assets	**Accounting for proceeds from the sale of property**	IPSAS property, plant and equipment, inventories and intangible assets.
Rule 106.6	**Rule 106.6**	No change.
(a) For accounting purposes, any gain from the sale of property, plant and equipment, inventories and intangible assets shall be credited to other/miscellaneous revenue and any loss shall be debited to other expenses. (b) For budgetary purposes, the proceeds from the sale of property, plant and equipment, inventories and intangible assets may be applied against the cost of the replacement.	The proceeds from the sale of property shall be credited as miscellaneous income except: (a) Where a Property Survey Board has recommended the application of these proceeds directly against the purchase price of replacement equipment or supplies (any balance shall be taken into account as miscellaneous income); (b) When the trade-in of property is not considered to be a sale and the allowance shall be applied against the cost of the replacement property; (c) Where normal practice is to secure and use certain material or equipment in connection with a contract and to salvage and sell such material or equipment at a later stage; (d) When the proceeds from the sale of surplus project equipment shall be credited to the accounts of that project, provided that they have not been closed; (e) When equipment is transferred from one project for use in another and the accounts of the releasing project are open, the fair market value of such equipment shall be credited to the accounts of the releasing project and charged to the accounts of the project receiving the equipment; (f) Where the alternative modalities governing the disposition of assets of peacekeeping operations outlined in regulation 5.14 apply.	This rule was reworded to take into consideration the accounting and budgetary requirements for proceeds from the sale of property. Under the existing rule, proceeds from the sale of property are credited as miscellaneous income; however, this will not take place under IPSAS, as property will now be on the face of the financial statements and not expensed as purchased (as under UNSAS).

New financial rule	*Existing financial rule*	*Explanation*
	Accounting for commitments against future financial periods	
	Rule 106.7	
	Obligations established prior to the financial period to which they pertain, pursuant to regulation 5.7 and rule 105.2, shall be recorded against a deferred charge account. Deferred charges shall be transferred to the appropriate account when the necessary appropriations and funds become available.	This rule was deleted as it will no longer apply under IPSAS.
Writing-off losses of assets including cash, receivables, property, plant and equipment, inventories and intangible assets	**Writing-off losses of cash, receivables and property**	IPSAS property, plant and equipment, inventories and intangible assets.
Rule 106.7	**Rule 106.8**	Change in numbering.
(a) The Under-Secretary-General for Management may, after investigation, authorize the writing-off of losses of assets, including cash, receivables, property, plant and equipment, inventories and intangible assets. A summary statement of losses shall be provided to the Board of Auditors not later than three months following the end of the financial period.	(a) The Under-Secretary-General for Management may, after full investigation, authorize the writing-off of losses of cash and the book value of accounts and notes receivable deemed to be irrecoverable. A summary statement of losses of cash and receivables shall be provided to the Board of Auditors not later than three months following the end of the financial period.	Combination of existing rules 106.8 and 106.9; changed to add property, plant and equipment, inventories and intangible assets.
(b) The investigation shall in each case address the responsibility, if any, attaching to any official(s) of the United Nations for the loss or losses. Such official(s) may be required to reimburse the United Nations either partially or in full. Final determination as to all surcharges to be made against staff members or others as the result of losses will be made by the Under-Secretary-General for Management.	(b) The investigation shall in each case fix the responsibility, if any, attaching to any official(s) of the United Nations for the loss or losses. Such official(s) may be required to reimburse the United Nations either partially or in full. Final determination as to all surcharges to be made against staff members or others as the result of losses will be made by the Under-Secretary-General for Management.	
	Rule 106.9	
	(a) The Under-Secretary-General for Management may, after full investigation, authorize the writing-off of losses of United Nations property and adjust the records in order to bring the balance shown into conformity with actual physical property. A summary statement of losses of non-expendable property shall likewise be provided to the Board of Auditors not later than three months following the end of the financial period.	This rule was deleted as it has been combined with existing rule 106.8 (see proposed rule 106.7).

New financial rule	*Existing financial rule*	*Explanation*
	(b) The investigation shall in each case fix the responsibility, if any, attaching to any official(s) of the United Nations for the loss or losses. Such official(s) may be required to reimburse the United Nations either partially or in full. The final determination as to all surcharges to be made against staff members or others as the result of losses will be made by the Under-Secretary-General for Management.	
Archives	**Archives**	No change.
Rule 106.8	**Rule 106.11**	Change in numbering.
Accounting and other financial records and all supporting documents shall be retained for established periods in accordance with policies, after which, on approval by the Under-Secretary-General for Management, they may be destroyed.	Accounting records, other financial and property records and all supporting documents shall be retained for such periods as may be agreed with the Board of Auditors, after which, on the authority of the Under-Secretary-General for Management, they may be destroyed.	This rule has been modified as there are now established retention policies and guidelines for financial records